11110

REDITORID

OF THE NATIONAL RETAIL CREDIT ASSOCIATION



June 1950





The Happiness Machine

This little fable by the Advertising Council of America shows the need for all sections of our population to work together.

We are reprinting it here for your enjoyment, because it has a special application to the field of credit.



NCE UPON A TIME, a group of people got together and built the best happiness machine in history . . .

. . . but when it was purring away at peak production they got to fighting among themselves over who should get the most happiness.



They kept fighting ... and the machine slowed down. Soon the price of happiness began to skyrocket!



In the end, they all died of broken hearts right next to the greatest happiness machine the world has ever seen!

Without the support of NRCA's members and other progressive credit granters, the Associated Credit Bureaus of America's 1533 credit bureaus and 815 collection service offices would lack the fine cooperation so necessary to maintain the "credit machine," backbone of American economy.

We pledge ourselves as an organization to keep alive this spirit of working-together. In the years to come, the credit fraternity can look forward to rendering ever greater service to the American public.

ASSOCIATED CREDIT BUREAUS OF AMERICA

1218 Olive

The National Retail Credit Association contributes this space monthly as a courtesy to its members of the Associated Credit Bureaus of America.



Accounting records spell c-o-l-l-e-c-t-i-o-n-s to me!

If you want earlier collections, see how Foremost will get your statements out promptly at closing . . . to bring checks in faster from customers who pay on receipt of statement.

And see the automatic line proof which prevents most of those payment delays caused by adjustment for error...also, the complete item descriptions which can help you eliminate customer misunderstandings.

Or, perhaps you want better credit control. Then see how *Foremost* gives you up-to-the-minute ledger records, accurate and legible, for making credit decisions promptly.

The facts on this ledger can be arranged for making sound decisions, too. For example, payments can be

segregated from returns and other such credits on the ledger...so you get a quick picture of the true rate of customer activity and payments.

For cycle billing, Foremost also offers better records and new speed. We'll be glad to show you how the Foremost method can solve your own problems. Just call your nearest Remington Rand office; or write to Management Controls Reference Library, Room 1354A, 315 Fourth Avenue, New York 10, New York.

Improve your credit control with a **Remington Rand**FOREMOST Accounting Machine



myright 1950 Remington Rand Inc.

M. R. C. A. Credit Educational Courses by Correspondence

Designed for credit students who are unable to attend Credit Schools.

Offered in response to many requests.

Preparation Joday Means Opportunity Jomorrow-Increased Knowledge Means Greater Value

The National Retail Credit Association announces two credit educational courses by mail.

RETAIL CREDIT FUNDAMENTALS and STREAMLINED LETTERS.

Students may take either or both. Price of each is \$10.00.

RETAIL CREDIT FUNDAMENTALS

Based on the textbook by Dr. Clyde William Phelps. Professor of Economics, University of Southern California.

Divided into three main parts:

- (1) Securing the account.
- (2) Controlling the account.
- (3) Collecting the account.

STREAMLINED LETTERS

Based on the textbook by Waldo J. Marra, nationally known correspondence expert.

Planning letters for positive results . . . How to secure eye appeal in your letters . . . How to write credit, collection and adjustment letters, How to build a better vocabulary.

THE COURSE on Retail Credit Fundamentals is a "must" for the newcomer to credit work, provides a comprehensive understanding of retail credit and its operation.

The course on Streamlined Letters provides excellent training in the art of clear, concise, and result-getting letter writing. Every credit correspondent will benefit by this course.

Upon enrollment you receive your personal copy of the textbook for the course. Your assignment is one chapter a week. A series of questions covering each chapter is sent to you weekly. You submit your answers to the National Office. No final examination, but your grade depends on your weekly marks. If you grade 70 or better, you are awarded a Certificate of Proficiency. Your employer is notified of your successful completion of the course.

YOU GAIN the benefit of personal supervision of your progress by the Educational Director of the National Retail Credit Association, plus several written lectures sent to you during the course. The textbooks will form a valuable addition to your library for future reference.

There are many golden opportunities awaiting trained credit men and women. Your future progress will well repay you for a modest investment now in time and money.

Enroll now and prepare for the bigger job later. Mail this coupon today!

-		
	National Retail Credit Association Shell Building, St. Louis, Missouri	
	I enclose check money order for Please regist Course on RETAIL CREDIT FUNDAMENTALS STRI	
	Name Occupation	***************************************
	Address Firm	
	City Zone	State



"NO OVERTIME IN 6 MONTHS— THAT PAYROLL DEPARTMENT'S REALLY ON THE BALL!"

And it's more than coincidence that Burroughs payroll accounting machines were installed exactly half a year ago, Mr. Treasurer!

Once these fast and efficient figuring tools take over payroll preparation, overtime is obsolete. One machine turns out as many as 350 checks and earnings statements alone each hour... or, if you prefer, the machine does the entire job, including posting, in a single swift operation.

Other departmental costs take a tumble, too, because fewer people and less equipment are needed. And Burroughs easy automatic action reduces operator fatigue... minimizes the chance for error.

Burroughs efficiency will save time and money in your payroll department. Get details from your Burroughs man, or mail coupon.

"Reduce Your Payroll Work" explains in detail two Burroughs' plans for cutting the cost and time of payroll preparation with Burroughs High-Speed Payroll Machines. Send coupon for your copy.

two payayroli PAYROLL MACHINE



WHEREVER THERE'S BUSINESS THERE'S BURROUGHS

Burroughs



Burroughs Adding Machine Company Detroit 32, Michigan

I would like the facts on Burroughs High-Speed Payroll Accounting Machines. Please send me "Reduce Your Payroll Work."

Name

City_____State_

CRW-32

CREDIT WORLD

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

L. S. CROWDER, Editor
ARTHUR H. HERT, Associate Editor

Editorial and Executive Offices . . . Shell Bldg., St. Louis 3, Missouri Advertising Representative, T. W. Farrell, 64 E. Lake St., Chicago 1, Ill. Washington Counsel, Clagett & Schilz, 1424 K St., N. W., Washington 5, D. C.

Volume 38

JUNE, 1950

Number 9

In This Issue

## R. M. Grinager The Fable of the Credit Man With No Losses Lew Hahn Two Short Consumer Credit Stories Charles F. Sheldon You and Your Audience Leonard Berry Agnes J. Moyer Four Other Mighlights National Membership Activities The Book Shelf Credit Flashes Letters Zen Departments Credit and Collection Procedure Credit Department Letters Items of Interest From the Nation's Capital The Factbilt Round Table Granting Credit in Canada Collection Scoreboard for April Business Conditions and Outlook Local Association Activities In the News 3 **Condition Scoreboard Activities Activi	Five Feature Articles									P	AGE
The Fable of the Credit Man With No Losses Lew Hahn Two Short Consumer Credit Stories Charles F. Sheldon You and Your Audience Leonard Berry Selling Your Store to Yourself Agnes J. Moyer Four Other Mighlights National Membership Activities The Book Shelf Credit Flashes Letters Zen Departments Credit and Collection Procedure Credit Department Letters Items of Interest From the Nation's Capital The Factbilt Round Table Granting Credit in Canada Collection Scoreboard for April Business Conditions and Outlook Local Association Activities In the News . 10 Leonard Berry Agnes J. Moyer Leonard Berry 10 Agnes J. Moyer 11 Agnes J. Moyer 12 Agnes J. Moyer 13 Agnes J. Moyer 14 Agnes J. Moyer 15 Agnes J. Moyer 16 Agnes J. Moyer 17 Agnes J. Moyer 18 Credit Flashes 20 Credit Flashes 21 Credit Plashes 22 Credit and Collection Procedure 23 Credit Department Letters 24 Credit Department Letters 25 Credit Operation Scoreboard for April Business Conditions and Outlook 26 Local Association Activities 31 In the News 33	The Credit Man Looks Ahead .		1		R.	M.	G	ris	·ag	er.	6
Charles F. Sheldon 10 Leonard Berry Selling Your Store to Yourself Leonard Berry Agnes J. Moyer Four Other Mighlights National Membership Activities 1. The Book Shelf 1. Credit Flashes 2. Letters 2. Letter	The Fable of the Credit Man Wit	h l	No	L	055	es	Ler	w I	· lal	h pa	8
You and Your Audience	Two Short Consumer Credit St	ori	es	· ho				c'L.	11.		9
Agnes J. Moyer Agnes J. Moyer Agnes J. Moyer					i.		are	1 1	· com		10
Four Other Highlights National Membership Activities 1 The Book Shelf 1 Credit Flashes 2 Letters 2 Ten Departments Credit and Collection Procedure 1 Credit Department Letters 2 Items of Interest From the Nation's Capital 2 The Factbilt Round Table 2 Granting Credit in Canada 2 Collection Scoreboard for April 2 Business Conditions and Outlook 2 Local Association Activities 3 In the News 3	Selling Your Store to Yourself		*		Ag	nes	j.	M	· oy	er er	14
The Book Shelf 1. Credit Flashes 2. Letters 2. Ten Bepartments Credit and Collection Procedure Credit Department Letters 2. Items of Interest From the Nation's Capital 2. The Factbilt Round Table 2. Granting Credit in Canada 2. Collection Scoreboard for April 2. Business Conditions and Outlook 2. Local Association Activities 3. In the News 3.											
The Book Shelf 1. Credit Flashes 2. Letters 2. Ten Departments Credit and Collection Procedure Credit Department Letters 2. Items of Interest From the Nation's Capital 2. The Factbilt Round Table 2. Granting Credit in Canada 2. Collection Scoreboard for April 2. Business Conditions and Outlook 2. Local Association Activities 3. In the News 3.	National Membership Activities										13
Ten Departments Credit and Collection Procedure 19 Credit Department Letters 20 Items of Interest From the Nation's Capital 20 The Factbilt Round Table 20 Granting Credit in Canada 20 Collection Scoreboard for April 20 Business Conditions and Outlook 22 Local Association Activities 33 In the News 3											
Ten Departments Credit and Collection Procedure	Credit Flashes										20
Credit and Collection Procedure 11 Credit Department Letters 22 Items of Interest From the Nation's Capital 2 The Factbilt Round Table 2 Granting Credit in Canada 2 Collection Scoreboard for April 2 Business Conditions and Outlook 2 Local Association Activities 3 In the News 3											
Credit Department Letters 2 Items of Interest From the Nation's Capital 2 The Factbilt Round Table 2 Granting Credit in Canada 2 Collection Scoreboard for April 2 Business Conditions and Outlook 2 Local Association Activities 3 In the News 3	Ten Departments										
Items of Interest From the Nation's Capital 2 The Factbilt Round Table 2 Granting Credit in Canada 2 Collection Scoreboard for April 2 Business Conditions and Outlook 2 Local Association Activities 3 In the News 3	Credit and Collection Procedure										18
The Factbilt Round Table 2 Granting Credit in Canada 2 Collection Scoreboard for April 2 Business Conditions and Outlook 2 Local Association Activities 3 In the News 3											
Granting Credit in Canada	Items of Interest From the Nation	ı's	Ca	pit	al						24
Collection Scoreboard for April	The Factbilt Round Table							*			25
Business Conditions and Outlook											
Local Association Activities											
In the News											
Editorial Comment											
	Editorial Comment										32

CIRCULATION OF THIS ISSUE 29,500

Entered as second-class matter at the Post Office at St. Louis, Mo., under the Act of March 3, 1879, Published Monthly. Subscription \$3.00 a year, to members of the National Retail Credit Americation only. Articles published in The Carpor Woods reflect the opinions of the authors and not necessarily the viewpoint of the National Retail Credit Association. Reproduction privileges of original material are herbey granted, provided usual credit is given.

Printed in U.S.A., by Bethany Press.



000000000000



EFFECTIVE COLLECTION STICKER



CREDIT

RECORD

is the measuring stick by which all credit granters judge you.

Do you realize that your failure to pay this account may affect your credit standing?

PROTECT YOUR CREDIT BY PAYING PROMPTLY

To be used on past-due accounts when other appeals fail. Consistent use will increase collections and reduce credit losses.

Only \$250 a thousand

National Retail Credit Association Shell Building St. Louis 3, Me.



a milestone

in specialized communication



TelAutograph Corporation, marking a halfcentury of service to business and industry, now introduces the new telescriber, the Model "C".

A TelAutograph Telescriber System of instant handwritten communication, adapted to the particular requirements of your credit operation, will speed up credit rating reports, eliminate confusion and misunderstanding.

At the request of many business and industrial executives, TelAutograph Corporation designed the Model "C" utilizing the experience of 50 years of successful operation. Model "C" offers facilities not found in our Models "A" and "B", and thereby increases the scope of telescriber operation. Model "C" augments our present telescriber service, filling the need for an instrument of greater flexibility.

Our staff of specialists is ready to analyze your problems and make their recommendations without obligation. Write to Dept. W-3 for

details of Model "C" and literature pertaining to the credit field.





TelAutograph CORPORATION

16 West 61st Street, New York 23, New York

"Handwritten Messages Deliver Themselves

While You Write"

The Credit Man Looks Ahead

R. M. GRINAGER, Credit Sales Manager, J. L. Hudson Co., Detroit, Michigan

I RECENTLY ATTENDED a meeting in Chicago with the credit managers of 25 large department stores. Going home I relaxed a bit in the parlor car of the train. I lazily watched the scenery fly by as we passed out of Chicago into Hammond and on into Indiana and Michigan. Thinking about this subject "A Credit Man Looks Ahead," to present here in Minneapolis, it suddenly occurred to me that perhaps I was doing what other credit executives have been doing, and are still doing, and that is riding backward in the last car of a long train.

Most of us know what is going on. We see everything that goes by or as it happens or after it happens. We know where we are most of the time, but we do not see things coming. We cannot see these things as most of us are looking backward. Unless we are willing to dissipate whatever responsibility we may have as to where we are going and what we are doing; unless we want to relegate the profession to a much less important level; unless we want management, controllers, and merchandise men to make all of our decisions; unless all these things are true, we must turn around and look ahead. We should be up in the cab with the engineer.

Where are we now? Do you know? Where are we going? Could you answer without guessing? One thing is certain; we are out beyond the areas of conservative credit extension that we enjoyed during the war period of Regulation W. We are past government regulated terms, minimum payment periods, frozen accounts and controlled limits. Here in Minneapolis the government no longer helps to maintain high collection percentages.

We have seen a few instances of cutthroat competition and we do not like them. We are seeing more and more new types of revolving credit operations with all kinds of names and signs hung on them. Some are attractive while others look dubious. We are seeing new and strange forms of three or five pay plans and some we have never seen before. Some appear to be getting extra business. We are seeing some new and old forms of coupon books, certificates, bonds, script, etc., designed to appeal to the borderline credit risk. Some appear to have usurious service charges while others look legitimate.

We lost count of the "no down payment" signs long ago. Just where are we? We have gone through some spots of unemployment here and there and we will see more of them. We have had a few nasty strikes such as coal, Chrysler, Ford, Parke-Davis, etc. Those green fields of additional income or carrying charge, fertilized by budget credit accounts, revolving credit plans, coupons, small loans, all look inviting. We are going past terms that seem to be getting longer, and longer, and longer. How long can they get? Is there a limit?

We see costs, old costs, new costs, all kinds of costs, but costs just the same, going higher, higher, and higher. We have seen some big and unnecessary losses. We did not see many losses during the wartime regulations when employment and savings were high. We have seen some business slumps too and some poor spots to do business. Maybe we are nearer the badlands than we thought. Every once in a while we get a glimpse of some newfangled club or budget idea that, on the surface, looks unique but which underneath is still just the old revolving credit scheme. Some strange new floor limits pop into sight now and then. Some are high and some have almost no authorization controls. I wonder how they stop for red lights.

Maybe we are not on the train after all. Could this be our own car in which we are riding? Maybe it is the wife or one of the children who is driving and we have just relaxed a bit in the back seat enjoying the scenery or a good nap. Maybe we should sit up and look around. Maybe we should slow down. Perhaps we should grab the wheel and do some of our own driving. Maybe we have been pushed out of the driver's seat by an overenthusiastic sales manager, merchandise men, advertising people, and in some cases even by management. Let us stop just for a moment, get out the map and go over together what we have seen. Maybe we can figure out just where we are, where we have been and in what direction we are headed. It might be that we are not lost at all.

I think you will agree that we, for the most part, have gone from the conservative side of credit extension during Regulation W to somewhere left of the center of the road. We have sometimes been advertising credit recklessly and have been reducing or eliminating down payments. We have been stretching out our terms too far and have reduced our credit departments. Some have offered credit promiscuously. We are on the left side of the road without a doubt but unless there is something coming we may be in no immediate danger.

What is Ahead for 1950?

Now, just what is ahead? 1950 could be a year of opportunity for credit executives; a year in which they can demonstrate further the value of their organizations as a major factor in retailing. Many large retail businesses will look to their credit departments to promote charge accounts and credit business this year. They will want new accounts and more business from old accounts. We are told that business as a whole, for the balance of the year, will be good. The road looks fairly clear ahead. Some of the mist has been dispelled. Business will probably be as good as last year, not uniform, some ups and downs, but generally good. Employment should remain fairly high with substantial pay checks. Customer earnings and purchasing power will be high. The automobile industry expects a good year. People still have money to spend on new cars and new home furnishings.

Government spending will also help. Industries also will spend heavily for plants, equipment and replacements. Competition will be tougher and business failures will rise. Some small businesses may have difficulty in meeting the price offerings of the larger companies. Things as a whole look fairly clear and even bright. Buying power is still strong. It may even increase some but

retailers expect a small decline as compared to 1949. People seem to be buying more durable goods such as furniture, appliances, housewares, televisions, autos, refrigerators, etc. Building and construction are still on the increase in the big cities and in some of the suburban

areas. These will continue at high levels.

Employment is up some and will increase, however, some of us are feeling strikes and layoffs. In some places they hurt. Our February collections were off substantially due mostly to the Chrysler strike and to the adverse effects of this strike on supplying manufacturers. So, we are on the left side of the road, but we can see pretty well ahead. The road appears, from what we can see, to be in pretty good shape but a little downhill and definitely not uphill. We can proceed as we did last year but not quite so fast. The road will be bumpy and we will have to take some precautions. What precautions shall we take? Maybe now that we know we are on the left side of the road we should straighten out a bit. When I get the wheel of my car off the right side of the pavement I do not feel too badly about it, but my face is usually quite red when some policeman asks me to explain when I go off the left side.

Maybe we should look at our terms, especially on contract or deferred payment plans. I am not an alarmist. I cannot and do not say that you should not sell on "no down payment plans" with two, or three years to pay. It is, however, academic that I can collect more and lose less on a plan entailing a reasonable down payment and more moderate terms. So maybe you should go no further than at present. It could be that 10 per cent down with 18 months to pay will prove to be sound credit terms and reasonable enough to maintain a satisfactory volume. At least let us look our terms over carefully and exercise good judgment. Let us not just insist on offering the

lowest down payments in town.

Convenient plans, advertising, service, and training will sell more merchandise and increase sales, but I believe that drastic reductions in terms or requirements seldom result in more than the shot in the arm type of increases in volume. There is little proof to indicate justification for going beyond the bounds of reasonable competition out into the area of unnecessary risks and undue losses. Perhaps we should examine some of the budget and revolving account plans we have seen. We call some of them permanent and I do not like that word. I have had no experience in this field but I suspect two things: (a) some lack of control, and (b) some have higher than usual losses. My reaction here is just a homely comparison. Usually, because of your floor limits and authorizing controls, you find that a charge customer goes "sour" owing you what he had estimated he could have paid you in 30 days even though he had good intentions of doing so. On any revolving plan he may find himself pledged for all that he estimated he could have paid you in 6, 10 or 12 months. This could be serious.

Value of New Credit Plans

The new three-pay plans are probably some extra business. Some of these plans make things easier for the customer and they certainly help salespeople to overcome resistance. They also help in reducing your collection percentages and your available working capital. They may force some borrowing and certainly they are not earning interest or income. They could cause some overbuying problems. They are probably sound but I suggest that you proceed with caution. What about this high income from budget accounts? How high is it after you have deducted losses and costs? Could your courts throw them out as usurious? Are you faced with threatened intangible taxes on carrying charges as we are in Michigan? These points might bear looking into.

We have the old boat straightened out in the road now. We can see where we are and see in which direction we are headed. But even downhill it is going to cost us more and more. We can see smaller sales, more transactions, higher salaries, more service demands, and expense, expense, expense. This means we must improve methods and increase production. We must work more efficiently, buy more carefully, watch costs, and cut costs methodically wherever we can. We are going ahead but without all the luxuries of first class. We will have to eliminate

all frills and cut all the corners.

We cannot avoid all of the chuckholes, strikes, unemployment, increased illegal buying, bad checks, and greater losses. Some of them will jar us and some will hurt. Here again, we can see pretty well but we must drive carefully, stay awake and slow up for the rough spots. Even from here I would like to see further ahead. After all, this looking ahead is pretty much guessing. All I can do is predicate conclusions on what we have seen and from the facts we know. I want to stay close to the middle of the road. I would like to get over to my side quickly when I she something coming. I intend to keep a good grasp on the wheel and to drive slowly and watch for the bumps. Also I want to avoid as many chuckholes as possible. I have even tied a good knot in my purse strings and buttoned down my pocket flap.

My Recommendations to You

Here are my recommendations to you:

 Hedge just a little on no down payments, long terms and lower requirements by screening and selecting your risks a little more closely.

2. Improve your customer relations job. Tell your customers about your credit facilities. Tell your salespeople about all credit plans available. Help them sell on credit. Merchandise credit and this does not mean giving it away. No sale is ever consummated until the last dollar of the purchase price plus the carrying charge has been collected.

3. Reduce your expenses by better methods and increase your efficiency. If you will try work simplification

you will find that it works wonders.

4. Do a better job of selecting and hiring employees. Examine the testing and rating plans and you will probably find that they will be helpful to your store.

Improve your service and answer your telephone promptly. Your service may be good but I venture to say it could stand some improvement.

Become a cooperative and important member of your selling and merchandise teams. Plan and work together.

 Participate in the affairs of local and national credit associations that seek to improve methods, educate employees and improve customer relationships.

8. Above all else, remember that credit is nothing more than a tool for business. Used in the hands of competent workmen with skill and knowledge, it will permit performance of a bigger and better job of credit sales management.

The Fable of the Credit Man With No Losses

LEW HAHN, President Emeritus, National Retail Dry Goods Association

ONCE there was a Credit Man who had an unblemished reputation for operating without any losses from bad accounts. He believed the public was predominantly dishonest with only a sprinkling of honest folk, few of whom ever applied for credit at his store. While the older partners lived, the lack of credit losses was taken as the shining mark of highly successful operation.

When the old men started the store they had very little capital and it had required some fancy stepping to preserve their own credit. Many a night they had combed the accounts of their customers in the effort to locate the ones who could be persuaded to pay up. One would say: "Here's Mrs. Smith—she owes us two hundred dollars. She ought to pay up—but she's perfectly good." Then the other would chime in: "Mr. Jones owes us three hundred—we ought to have that money, but he's good for it." The first one then would burst out—"Good? Good? What in tarnation are they good for if they don't pay?"

Thus, when they could afford a credit man, they carefully picked one with a jaw that could have punched holes in a submarine and who had an inexhaustible stock of negatives. He could say "no" more impressively, and more often during an eight-hour shift, than any other human in seventeen states. His manner of merely asking a customer's address would send that person away two sizes smaller than his clothes. Unless a candidate for credit could produce fifty-seven responsible witnesses to swear he didn't need it, he got no charge account in that store.

Of course, it followed that credit losses were nil, but the growth of the store was not encouraged. However, the merchandise operation was simplified. Except when sales slipped, the partners could estimate their sales a whole year in advance. The same old customers stuck to the store. To make a change of store was like confessing they were in financial straits. When the store's ancient horse-drawn delivery vehicle halted in front of any man's home, it showed his neighbors he was just a bit more sound than we used to think the Bank of England.

Meanwhile, other stores not blessed by the ministrations of so great a credit man had some credit losses, but their sales volume grew rapidly. Binklebunker's Emporium, for example, founded long after our credit man became a member of the Twenty-year Club, moved four times to larger quarters, then crected the biggest

and handsomest building in town.

As all things must in a moving world, the store finally experienced change. The aging partners passed to their reward and a new generation stepped up to bat. The new management lacked a lot of practical experience, but they knew all things were not right in the store. While they devoted their efforts to merchandising and sales promotion, they congratulated themselves the credit department was one end of the business which needed

no overhauling. "Why, look at it," they told each other, "our losses are less than one one-hundredth of a percent! You can't beat that."

Although they pitched in with a will, they made little progress. It was like trying to run with one foot tied to a tree. The best they could do even when they advertised miraculous merchandise offerings, was to increase their cash sales for that day. There was no continuing loyalty in the public. They had to buy their business all over again every day—and it was a

costly process.

While they puzzled over their problem, a letter from a merchant in another city came to ask them what they did to promote sales through their credit department! Well, that was something! Of course, they hadn't given the subject a thought, so they called in the credit man and put the question to him. What was he doing to increase sales? It was unfair! It was pitiful! It was useless! As well have asked Hirohito what he had done to stop that first atomic bomb. Whoever heard of a credit man encouraging sales? Why, everyone ought to know it's the credit man's job to prevent sales being made to the wrong people! His complete conviction of his essential rightness had the young management stymied.

Nevertheless, they wrote back to the store in another town and parried the question. They asked for information for themselves. What they got was too convincing to be brushed aside, so they lost no time in decreeing a new credit policy for the business. They had come to realize the store lost far more in markdowns on goods the credit manager wouldn't let customers buy than anything they ever could lose through a liberal credit policy. Therefore, they decided it was wiser to accept a little more risk on charge sales and get their goods in the hands of customers.

They saw that, all along, the store had suffered because it lacked faith in the public. As a result, the public had no faith in the store. It was difficult to make the credit man believe the majority of people are honest and will pay their just debts, but, in spite of his gloomy head-shaking, they forced him to proceed on that assumption. They never did succeed in making him recognize that credit was invented to meet the need for increased business activity or to know the difference between intelligent use of credit and its complete

nullification.

Under the new policy the charge account business increased rapidly and it became necessary to employ a credit man with modern outlook. The new man was strong for attending conventions and, from time to time, he needed to be cautioned against too-openly revealing his secret knowledge that credit was the only important feature of the business, but that was a small price to pay for efficiency in a vital spot. The former credit man? He's still around. They didn't have the heart to let him out; he's the timekeeper now. Folks say lateness of employees now is a thing of the past. One look at the timekeeper scares them into paths of rectitude.

Moral, "Take the cash and let the credit go" was okay for Omar, but not for retailing.

Reprinted from the December 1949 issue of STORES, official publication of the National Retail Dry Goods Association.

Jwo Short Consumer Credit Stories

CHARLES F. SHELDON, Manager, Philadelphia Credit Bureau, Philadelphia, Pa.

SOME INDIVIDUALS are so constituted that they always require supervision. No matter how hard they try to do the right thing, their judgment is faulty. To learn what customers fall into this category is one of the basic facts to be uncovered by interviewers. Consider the case of Jack.

Worried about his inability to meet monthly payments, he wrote for advice to a local radio station question and answer man. He referred Jack to the Credit Bureau. Now Jack was a fine fellow. He had served honorably in the Army and returned to his previous employment after the War. His take-home pay was \$100.00 a week and he had four members in his family. An old home was purchased with no down payment and a monthly mortgage payment of \$43.00. This was reasonable enough, but from this point on his financial condition deteriorated rapidly.

His furnace failed and a new one was purchased adding \$32.44 a month to his mortgage. He was well started on the road to complete fulfillment of all his dreams so, why wait? His wants were satisfied one after another and rapidly like the staccato sound of a machine gun. A refrigerator and washer financed by a bank added \$41.11 a month. A finance company added \$50.00 more for a used automobile while another finance company added \$11.77 for storm windows. By now his past-due payments required a loan from a small loan company at \$40.00 more a month.

He changed his jobs twice. His total balance owing now is \$3,000 and his monthly payments were \$175.37. His family was increased to six and his salary had been reduced to \$75.00 a week. He had at best, \$40.00 clear to meet \$175.37 each month. Sooner or later, some merchandise would have to be returned to reduce his reasonable.

Jack's case proves that granting credit on the ability to repossess the merchandise is not sound credit granting. Also that an individual's credit fits together in segments that make one entity. When the maximum credit repayability has been reached, additional credit is the straw that breaks the camel's back. Then all creditors lose.

The Other Credit Story

The transition from a good to a bad character is gentle and effortless. The precise moment of change probably takes place with no pain whatsoever. When realization of the change does come, it is accompanied by pain, bewilderment and amazement. Shocked into reality the immediate result is confusion. The recovery, if attempted at all, is just the opposite to the decline. It is a long and rough road.

Often the change in character includes a decline in one's personal credit. Financial involvement follows one general pattern. John's downfall was no different. He started with a weak character. But he had a good job and had been employed steadily for several years. He is single and his income is sufficient for his needs.

He wanted to put some zest into his life. His drinking, which had been moderate, now increased in tempo. But he was fortunate. Becoming playful one night, he cavorted about a filling station and was arrested for burglary. He was fined on a keep-the-peace bond. That was when excessive drinking became a danger to him so he slowed down. Now he drinks only occasionally.

He learned something else, too. While increasing his drinking tempo, he bet on the horses and played the numbers. Money borrowed from friends was used for betting. Like many other young swains he wanted his girl to have a new wrist watch, and he needed a watch too. Both were purchased with a down payment of borrowed money. He borrowed more money from personal friends to make the monthly payments.

Soon his sources of personal loans became closed to him and he applied and was granted a loan by a bank. This proved insufficient, so more money was borrowed from a small loan company. These sources, for additional money were soon closed to him. He continued to gamble. His creditors received no payments.

Now, owing a total of approximately \$1,000, he wants the Credit Bureau to intercede with his creditors and offer them \$40.00 a month until the total balance is paid. At the moment, he says he wants to pay his bills. Yes, indeed, it is a comfortable road down from good to bad but the reverse trip is rough.

All Bankers Know Something About Insurance



But as Huxley said: "If a little knowledge is dangerous, where is the man who has so much as to be out of danger?" We'll be glad to join with you in seeking the solution of your insurance problem. A word from you asking for this service will receive prompt attention. You incur no obligation.

THE PHOENIX-CONNECTICUT GROUP OF FIRE INSURANCE COMPANIES HARTFORD, CONNECTICUT

Combined Statement December 31, 1949

Assets							\$128,195,440
Liabilities							63,268,050
Surplus to	po	licy	hold	lers			64,569,075
Losses paid	d to	De	cem	ber	31.	1949	462,311,853

You and Your Audience

LEONARD BERRY, Educational Director, National Retail Credit Association

F ARE NOW placing emphasis on the necessity of programs for local associations being based on practical credit subjects. Great interest can be created and sustained by discussion of everyday credit problems and procedures. This objective will mean that the members of local associations, and especially credit executives of experience, will be called on frequently to make addresses and serve on panels. Usually such men and women have an ample store of knowledge and a rich background of personal experience. However, in order to project this knowledge to an audience effectively, some familiarity with the principles of public speaking is desirable and with that thought this material has been prepared.

What is public speaking? Simply this: An ability to put ideas into words and lead to a course of action. Man has always felt the urge and necessity to speak, to transmit ideas. From the earliest dawn of civilization, sign codes, picture writing, parchment, to the days of the printing press, political oratory, Wm. Jennings Bryan, the radio, Dale Carnegie, and Elmer Wheeler; all have wanted to speak. We are imbued with an idea, fired with enthusiasm, we must communicate and we must sell. What I have in me to give you bursts out in words; what you have in you for others bursts out; you want others to share this and to sell your ideas. Certainly we want to speak, but we are afraid and full of fear. So let us pull that bogeyman right out of the dark closet and look at fear. Let us analyze it, pull it to pieces.

How About Nervousness?

How about nervousness? Not a bad thing, nervousness, never lose it. A stolid, lumpy racehorse does not win the race. No, the nervous, tense, eager, responsive, alert horse does. Here is a phrase to say to yourself over and over again: "Act as though you could not fail"—"You must, you will win!" What has anyone else that you have not? No one was born a speaker. All were babies once, and cried and nothing else. So you can be a speaker. How? you say. Here is all there is to it:

- 1. Lots of hard work and everlasting practice.
- 2. Use of good mechanics.
- 3. Have good subject, know it thoroughly.
- 4. Drive on to a well-defined selling goal.
- 5. Believe in yourself and be enthusiastic.

Easy talk, you say. There must be more to it than that. No, there is no magic wand, no abracadabra. Just remember these few points, and you will acquit yourself well on the platform.

We will take for granted your willingness to work hard and practice. So we go on to the next point, good mechanics. A speech is born out of hours of planning, reading, research, checking, changing, rewriting, trying out, revising and strengthening. A speech must have content; must have ideas; must sell something. No matter how gifted or clever, you will be a flop without those hours of serious preparation.

Gather all information, quotations, subdivisions and organize all relevant data. Check and double check on

facts and information. Remember you are influencing people to action. Your speech, like all Gaul, is divided into three parts:

- 1. Introduction.
- 2. Body.
- 3. Conclusion.

You must start, say what you have to say, and end. Stand, say, sit. How about this introduction. There are differing methods; pick your own; different occasions require different techniques.

Method number one—Ease into your selling job. Tell a story if you can. Take advantage of the chairman's introduction, get off to a good-humored start. Give appearance of ease, and allow time for adjustment of chairs, bodies, etc. Then, when you feel contact whip out your arresting, challenging phrase, and proceed into the body of your talk.

Method number two—Start out with a bang, find the selling sentence, the sizzle. Get the audience wakened up and keep them awake. Start a fire! Take your choice of these methods. It is a good idea to have both ready and as you size up the situation, choose the best method. The chairman's introduction is important to you as a speaker; you can be made or broken by your introduction. See that the chairman or toastmaster knows your name, subject and qualifications. The audience should know what right you have to speak, what have you done, whom you represent, etc. That is the groundwork. Now comes the important part, the body of the speech.

You must interest your audience in one or more of four ways:

- 1. Familiar interests, everyday, known, recognized.
- Concrete, definite, descriptive, through the senses, fact.
- 3. Striking, new, startling, breath-taking, revolutionary, unusual.
- 4. Vital, interests, health, occupation, living, character, liberty, self-esteem.

Find out which interest is the best for the particular occasion. You can vary your interests, but be sure you know which one you are using. Use these interests, label them in your mind, adjust your voice, gestures and words to the one selected.

Divisions of a Speech

Your speech will fall into one or more divisions:

- 1. Expository; explaining, expounding, describing, relating.
- 2. Vivid; realize, appreciate, understand, give clear mental pictures.
- 3. Action-impelling; go out and vote, to preach, to fight, to defend, to attack.
- 4. Entertaining; amuse, light, frothy, get a laugh, please the senses.

Know what you are after, and you will succeed. Be hazy, confused, and assuredly your audience will be too.

In the body of your speech, you are doing your work, registering your arguments, pounding home points, one, two, three, and four. Develop arguments, anticipate objections, answer them, proceed logically, lead up to a mental "yes, yes, the guy's right." Use charts, illustrations and blackboard. "Tell 'em, tell 'em again what you told 'em." This is the peak period of audience attention, you must sell now or never. If you have arranged your speech according to the time allowed, and you have planned the number of selling points, you will realize when you have won, when your job is done. When your audience can stand no more, quit. When you are ready to conclude, do so. Do not announce "finally" and go on for another hour. Your audience will resent that. Wind up gracefully, register your main point, sum up and leave them asking for more. Give impression of unused reservoirs, leave pleasant memories.

Let us look now at the question of platform appearance! You are thoroughly prepared, your selling job is clear, and you must win your audience. You are a distinct person different from all others. You are yourself. What you have is your own. Do not copy someone else. Be natural, find your own personal appeal! The cloak of Elijah may have fitted Elisha; but the cloak of Wm. Jennings Bryan, Will Rogers, Franklin D. Roosevelt, may not fit well on your shoulders, so make your own cloak. It may be a poor thing, but it will be your own! It is you they came to hear, and they will like you if you are you. Do not step out of character or ape someone else. Find your own technique and develop that. Let us get this down to a few rules:

Let us get this down to a few rules:

 Study yourself, subject, audience, selling job, your capacity, and limitation.

2. Avoid extremes of dress, habits, eccentricities,

pomposity and verbosity.

 Don't apologize; never say you write well but are a poor speaker. Don't pluck your dress, coat, handkerchief or beads. Do not be an oratorical thief; confine yourself to the time allowed.

4. Don't drag in stories just for the sake of doing so.

Be sure they are related to the subject.

Adjust your voice to the room. Do not yell and do not whisper. Be sure all can hear you but spare the ears of those in front. Be clear and concise in choice of language, but don't "err, err, err" between words. To "err" may be human, but it is inexcusable in a public speaker. Avoid that crack about being asked at the last minute to speak, or not being prepared. Neither will gain you friends; indeed may cause resentment.

Audience Response-Zones of Interest

The reaction of your audience to: (a) You. (b) Your speech, Objective: (a) Goodwill to you. (b) Acceptance of your thesis.

Audiences can be indifferent, hostile, prejudiced, critical, but it is encouraging that most audiences are initially

well disposed towards a speaker.

Lose fear of audiences, large and small. After all, they are a group of average humans, assembled for a purpose. They want to be instructed, informed, stimulated, inspired, amused, and entertained. They are like you, with the same emotions, fears, hopes and shortcomings. They have a preconceived idea of you, created by your reputation, your build-up and your introduction.

If your reputation is the cause of their presence, then you have an advantage and a responsibility. Remember they are *initially* well disposed. Yours is the task of winning them.

Primary Attention-The First Zone of Interest

This is freely given, is involuntary. You are looked over, appearance, expressions, posture, poise, smile, your composite personality. This attention is given to you freely, it arises out of human curiosity, they want to know who you are and all about you. You do not have to earn this attention. It is free. Use it to register your good humor, skill, confidence. Rise gracefully, don't fumble or stumble. Avoid nervous adjustments of dress. Have your notes ready and unobtrusively place them in position. Pause . . . address the chairman . . . pause. When all are ready, begin easily and smoothly. Ease into your job. Use those precious minutes of free interest to sell yourself, personality, friendliness. Up to this point, you are the most important factor. Many fail to take advantage of this zone of interest and waste the effect by launching immediately into the argument.

Earned Attention-The Second Zone of Interest

Curiosity is now exhausted. You are tabulated and classified. Your audience is through with you, now they are ready for your message. Interest must now be earned; it is not freely given. Now is the time for the body of your speech. State your subject, try for an arresting or challenging phrase. Make your audience alert, awake and attentive. This is the heart of your talk and this is what counts! If you fail here, you become an entertainer only, not a speaker with a selling message.

Divide this zone of interest into as many parts as you have main arguments. Do not maintain a high level of intensity all the time. Your audience has limited endurance. Reach a peak of emphasis for each point; then a little let-down, but not so far that you lose your audience. Bring them back, after a breathing spell, for your next point. You are really working here, every effort is being put forth to sell. Be watching for signs of disinterest and uneasiness so you can change your technique as occasion demands. Strive for a rhythm of intensity and relaxation.

Waning Attention-The Third Zone of Interest

A point is reached when despite your skill and ability to proceed would be fatal. You must determine this point for yourself. Depending on whether your time is limited or unlimited, you must judge the proper point for beginning to close. When your subject is exhausted, or your audience begins to tire, you enter into the zone of waning interest.

Prepare to close. Draw the ends of your argument together, register your final point, then round out your talk gracefully with a word of appreciation of the attention shown you, your pleasure at being there. Leave a

friendly, pleasant feeling.

Now let us take another look at our audience from another angle. What about the age factor?

Age of Audiences

Youth

1. Young people usually lack critical information.

2. Young people lack background of experience.

3. Young people want new ideas.

4. More physically alive-become bored. Want action. Swift movement.

5. Less influenced by cold reasoning and logic. Emotional. Suggestible.

6. Appeal to heart. Emotions. Like broad wit and vigor. Strong and clear-cut arguments usually work well with youth.

Older People

1. Old people are the exact opposite of young.

2. Old people have much experience. 3. Old people have critical attitude.

4. Less physically alive. More willing to listen to detail. Thought process slower. Logic and data. Appeal to head.

Middle-Aged People

1. Middle-aged people are most difficult.

2. Discriminate as far as possible. Mix your appeals. Sense how you are going.

3. Vary technique as occasion requires.

Intelligence of Audiences

Never underestimate or overestimate the intelligence of your audience. Do not talk down. Do not talk above. You will never sell yourself if you appear too smart, or too dumb. You should be one of them. Do not use exaggerated language. Do not use "trade" language to a specialized group unless you are sure of understanding.

Fixed Beliefs and Traditions

Avoid offending on religious, historical or national matters. Every audience is different. Every audience is a new experience. Analyze yours from every angle possible. Now let us bridge the gap from speaker to audience. Consider the method of projection to audience. You are thoroughly prepared. Your notes and manuscript are in place. Your "selling job" is clear, you have analyzed the speaking situation. Your "goal" is before you. Nothing else matters! You have eaten sparingly. A full stomach slows and dulls the mind. You are to send powerful waves of thought animated into speech. Charge yourself with knowledge, accuracy, and enthusiasm. Your attitude must be positive, radiant, and stimulating. You must be friendly, lively, and vigorous. Try to be at one with your audience. Detect and overcome any resistance or hostility. Look at your audience; talk to them. Be sincere, earnest, energetic and convincing. Interpret the deeper, richer meanings. Obtain as quickly as possible an affirming response.

Your dress should be conservative, neat; you are in the background. No distraction of any kind should be allowed. Your subject is the main event. Avoid nervous gestures and movements. In the speaking situation, your whole body is as much a part of your functioning mechanism as your voice. It should work as a unit. an easy posture, feet not too far apart, nor too closein just such a comfortable position that you maintain balance. You must appear at ease, muscles easy and relaxed. Below the waist, just the foundation, the support. Above the waist, torso, arms, head, eyes are in motion. Should you wish to move about to rest yourself, or your audience, choose a good opportunity at the end of a line of thought or argument. Then do so

Gestures should be in harmony with your own personality. If you are a naturally expressive person using gestures ordinarily, by all means do the same when speaking. Be natural. Do not be theatrical. Gestures should amplify ideas; be in harmony with points expressed, vary in duration and intensity, and express the idea you want to convey. Distance or nearness. Emotion or fact. Abstract or concrete. Gestures should proceed away from center of body in smooth curves. Every gesture should finish gracefully, hands returning to sides. For large, fatigued, or prejudiced, use much gesture. For small, alert, friendly, use little gesture. Adjust your gestures to audience, auditorium, subject and occasion.

A fully qualified speaker must have rhythm. That is, he must be able to express thoughts smoothly, without marked interruptions and hesitations. Smooth speech indicates logical, coherent thought. Stuttering, hesitation, indicates the opposite. Emotional instability, stage fright, tenseness, fear, disturb rhythm. To achieve

rhythm:

(a) Have correct attitude toward yourself.

(b) Have a subject you know and enjoy.

(c) Be thoroughly prepared. (d) Have good breath control.

(e) Use pauses for yourself, your audience.

(f) Have lots of practice.

Use melodics, vary the pitch of your voice, try for pleasing persuasiveness. Cultivate good diction, enunciation and a large vocabulary. Words are your stock in trade. Thus we come to the end of our abbreviated course in effective speaking; we have set the stage as it were; now you must carry on. Seek opportunities to speak. You will gain by practice. Here is a guide for judgment of yourself and others:

Test of a Good Speech. (Each of the following rates 33 and 1/3%).

Personality Factors-Dress, posture, gesture, voice, vocabulary, selling ability, presentation.

Personality Traits-Self-confidence, earnestness, persistence, tact, enthusiasm, imagination.

Mechanics-Preparation, accuracy, logic.

Suggestions for Speakers

- 1. Arrive at least ten minutes before the scheduled time.
- 2. Give chairman a slip with your name, subject, and any points you wish him to use in introduction. Ask chairman for points on which he wishes particular emphasis.

3. Ask chairman for names of those he wishes given recognition in your talk.

4. Ask chairman the length of time he wishes you to speak. It is important to learn the time at which the meeting must end, particularly so in a school where a schedule is in force.

5. If you wish to use a stand for your notes, be sure to ask the chairman if it is in place before the meeting.

6. While waiting for your introduction, note preceding items on program. They may give you a cue for emphasis on some part of your talk.

National Membership Activities

Membership Results

The largest number of National Units organized in any year in the past twenty years was reported for the year ended May 31, 1950. Twenty-four cities in fourteen states and two in the Province of British Alberta, Canada, were organized and members reported ranged from ten in Belen, New Mexico, the first city to organize a National Unit in the fiscal year, July 12, 1949, to Waco, Texas, organized October 24, 1949, with a membership of 335.

The standing of old Associations, as we go to press, shows Los Angeles, Calif., and Pittsburgh, Penn., tied for first place with 195 new members followed closely by Tacoma, Wash., with 191. Cash awards of \$100.00 each will be presented to the Local, State and District Chairmen and the Bureau Manager making all members of the Bureau National members, with a minimum of 100. Parker pen and pencil sets will be awarded to the President and Secretary of the National Unit making the greatest gain in membership; to the Credit Manager for outstanding membership work and to the Bureau Manager for outstanding membership work. Gavels, properly inscribed will be presented to the first National Unit organized, Belen, New Mexico, and to all other units reporting 20 or more National members, as listed ahove

It is a pleasure to welcome into the National family the local units organized this year.

Here is the roll of New National Units which have been organized since June 1, 1949:

City	Date	Number
Belen, New Mexico	July 12, 1949	10
Odessa, Texas	July 18, 1949	41
Orlando, Florida	July 26, 1949	31

Aug. 10, 1949	16
	10
	75
	57
	13
	10
	20
	25
	14
	335
	54
	16
	10
	15
	30
March 10, 1950	20
March 15, 1950	25
May 3, 1950	24
, .,	
May 11, 1950	23
	25
May 24, 1950	20
	May 3, 1950 May 11, 1950 May 22, 1950

New members reported by Districts from June 1, 1949, to May 22, 1950:

Distri	ct									7	dembers
1									à		125
2											149
2 3											178
4											153
4 5											157
6											208
6											344
8											535
9											255
10						*					1,188
11											390
12											610
13							*	*			86
For	rei	gn									5
			Fot	al							4,383

- 7. In speaking remember these points:
 - (a) Speak in the language of the group.
 - (b) Be enthusiastic.
 - (c) Remember that you are selling an idea.
- (d) Make the group feel that you are interested in them.
- (e) Follow your outline. If you stray, you will not finish on time.
 - (f) Address the whole audience.
 - (g) Raise and lower your voice for emphasis.
 - (h) Do not apologize.
- (i) Do not scold your audience. Pat them on the
- 8. Every gesture, word, and effort in your talk should be directed towards persuading your audience.
- 9. Do not take yourself too seriously; but be serious where points in the talk require it.
- 10. Leave the group feeling that they wish you had talked ten minutes longer, rather than ten minutes less.

Layout of a Talk

1. Subject: (Specific purpose)

- 2. Introduction.
- 3. First main idea:

Develop by: Expert opinion; Specific cases; Statistics;

- Comparisons; Reiteration.
- Second main idea: Develop as above:
- 5. Third main idea: Develop as above:
- Conclusion:
 Restate main ideas.
 Appeal for action.

The layout should be governed by:

- 1. Material available.
- 2. Analysis of hearers.
- 3. Elements of interest.
- 4. Time available.



Selling Your Store to Yourself And Encouraging This in Your Employees

Agnes J. Moyer, Credit Manager Berks Products Corporation Reading, Pennsylvania

The subject "Selling Your Store to Yourself," can be divided into three parts.

First, we must assume that your business maintains the highest code of business ethics. This is the key to successful business and ultimately to a successful business world.

Second, there are two attitudes one can take in any position. You can find pleasure in being a member of the firm, thinking of its welfare as a whole and accepting the fact that you are but a part of the whole. You must also remember that no part is the whole. By following this line of reasoning, you will win your portion of daily enjoyment by working with and for your group. Or, you can find frustration, anger, spite, discontent and by your own thoughts and actions express contempt, insincerity, non-cooperation and downright cussedness.

We must be sold on our store or firm; otherwise we would not attend district and national conferences. How could it be otherwise? If we attend because we must and go against our will, then it is a sad state of affairs. The very fact that attendance at these conferences increases every year, is evidence enough of what I mean by selling your store to yourself. How can a salesman make a success if he is not sold on his product and goes out and sells with the thought in the back of his mind that he is selling the best product that can be bought? That is fundamental in selling and it is fundamental in selling your store to yourself.

Third, that as credit men and women we know that our duties are related closely to the executive branch of the business and as such, we must think of and on administrative and executive levels. By that I mean our thoughts, aims and desires must be on the same level as our firm's president and executive officers to whom we are responsible. If I can provoke your thinking in this direction, then I feel that I have accomplished something.

However, the most important part of this subject is how can we encourage this in our employees. As executives we need not say anything about selling the store to ourselves. We are sold, but how we can sell it to our employees is the question. It depends on your attitude and my attitude to create the right attitude in our employees.

Here is an example. The "big boss," the "man at the top" of a large insurance office came to his desk each morning with never a "Good Morning" to his employee. He was curt in his instructions, without a thought for the feelings of those around him. The result was discourteous employees, dissatisfactions and misunderstandings which could not help be displayed in the course of business among the personnel and to the customers themselves.

One of the employees took it upon himself to talk to this executive, cognizant of the fact that it might cost him his position. However, when he told "Mr. Executive" how his employees felt toward him and how his attitude affected the entire personnel of the office, his boss sat back and said, "Frank, am I really like that?" This unconscious, yet vicious attitude can be counter to your desire to secure the favorable attitude in your employees. Fortunately, here was a broad-minded man as he accepted it as constructive criticism and did something about it. Even though we are sold 100 per cent on our firm, especially as executives should be; unless our loyalty, our faith in our firm and belief in its principles are displayed to our associates in a pleasing and sincere manner, it does not do our firm much good to know that we are sold on it.

Another instance and one I like to remember for I had occasion to benefit from several experiences relates to a small but well-established law firm. The founder of the firm was a man with a dynamic personality, kind and interested in his employees. It infiltrated through the entire organization and it was a joy to either call or walk into the office. The employees made you feel they were happy to serve you and that they were proud to be a part of the firm. This was displayed over the telephone as well as in person. Today that man is no longer with the firm. Under new management, the feeling is strange. The warmth is somehow gone and no one feels that sense of unity any longer.

Charles Schawb of the Bethlehem Steel Company, time and time again brought this home when he took no credit as an individual for the success of his great company but insisted that it is only through the combined efforts of the entire organization that success can be achieved. So you readily see what it means and that is, we must sell our personalities to our employees, our own enthusiasm for our firm, our own principles and ideals. Of course, I am assuming again that our enthusiasm is keen and our principles and ideals high and our purposes good. That we are always striving to become more efficient and move forward is the endeavor of credit. A good training program is partly a solution in selling your store to your employees. But we must remember that this is a personal problem too, a human problem. We are dealing with human beings, not machines.

There is a story of a business executive whose wife woke him up in the middle of the night because he was in the throes of a horrible nightmare. When she asked what terrible dream he had been having he said, "I dreamed I was filling out an application for a job in our organization." This can be quite a task in many cases. Some applications are simple while others require a person with an I.Q. rating of "genius" to complete them intelligently. An application of a large New York department store requires the applicant to sell the store, that is, in his

application he must tell all the good points he knows about the store as if he were discussing it with an acquaintance or a customer.

It would do us all good if we would require applicants for new positions to see if they know anything about us and whether they were interested enough to make inquiry before applying for a position. Do not hold it against them. You have at least instilled in their mind the importance of knowing the store or firm to which they are applying for a position and that is the key for you to go to work.

When new employees come into your department, acquaint them with every phase of the work they may have to do. Tell them about the personnel, from the office boy up to the president. Apprize them with the personalities and policies of your firm. Make them feel at home and get them off to a good start. Begin to sell them on the firm immediately and intelligently.

As I have stated, our work is on an executive level and we must continuously bear this in mind, both with new employees and our present employees. However, we are going through a transition. Right now, there is a certain group with a school of thought of controlling our every walk of life by federal regulation. This condition exists already. The chairman of the labor division for the National Industrial Conference Board states that office group unionization is already 10 to 15 per cent effective in the New York metropolitan area. Are we going to allow it to grow? The question resolves itself, how can we correct this situation? How can you encourage your employees to sell themselves on your store if they are influenced by outside sources?

As an example of this I ask you to look about you and see what attitude prevails in organizations where this collectivism and controlled planning is in effect. I ask you to look at your railroad personnel; your governmental offices and other organizations of such a nature. Do you want this to happen to us? If offices are infiltrated with this, unquestionably the credit department will be a part. I do not say that encouraging the selling of the store to your employees is going to avoid or correct this but I do say that this condition is not compatible with our train of thought today.

Selling your store to your employees seems like such an ordinary and meek statement as though it is an everyday occurrence and takes care of itself, but the more you think of it, the more ramifications present themselves. This is a challenge. It is up to us to work diligently, day in and day out, never feeling satisfied that the job is complete. Is it not true that the credit department is the one who opens the door to our public and who lays the foundation for good solid accounts? Let us guard this door closing abruptly and being locked so that customers do not wish to come back. Picture this as a swinging door with glass panels so that our prospective customers can look into the office and feel at ease in approaching us. Let them feel a warmth in being greeted by the personnel of the credit department. Let them feel that we are proud to be in that office working for our particular firm. Let us resolve to carry the right attitude. Let us resolve to do all we can to put this across to our associates.

It is a real challenge, so let us accept it.



Yardsticks for Credit Management (National Association of Credit Men, One Park Avenue, New York 16, N. Y., 48 pages, \$1.00.) This booklet, written by H. E. Butcher and E. O. Kallman, contains much valuable material in assisting the retail credit granter to more clearly understand problems which are common to both the wholesale and retail credit executive. In a clear and understandable style, the reader is given 15 measuring rods to use in assaying his performance. It is profusely illustrated with tables and charts and includes an explanation of the credit factors to be discovered in the financial statement.

W

Six Easy Ways to Recognize a Bad Check (Fraud Detection and Prevention Bureau, 2515 West 82nd St., Chicago 29, Ill., 22 pages, \$1.00.) This excellent booklet is based upon the research work of C. H. Fletcher who has examined thousands of checks with forged, or fraudulent signatures, changed payees, or raised amounts. It explains how you can avoid losses from bad checks. Every cashier should have a copy of this booklet. Special prices on quantity orders.

W

A Guide For Retail Advertising and Selling (Association of Better Business Bureaus, 726 Chrysler Bldg., New York 17, N. Y., 180 pages, \$1.00) This guide helps advertisers to avoid objectionable, misleading or unfair practice and strengthen public confidence in advertising. It also assists the public to achieve maximum satisfaction from advertising and merchandise. A section of the guide has been devoted to credit terms, sales, guarantees, free offers, etc.

III

Accounting and Tax Problems in the Fifties (American Institute of Accountants, 270 Madison Ave., New York 16, N. Y., 110 pages, \$1.00.) This book contains a summary of 12 technical papers presented at the 62nd annual meeting of the Institute held October 31-November 3, 1949, in Los Angeles, Calif.

W

Pensions for Employees (Chamber of Commerce of the State of New York, 65 Liberty St., New York 5, N. Y., 91 pages, \$1.00.) This is the proceedings of the Pension Forum held on February 16, 1950, in New York, N. Y., sponsored by the Committee on Industrial Problems and Relations of the Chamber of Commerce of the State of New York. Questions and answers are also included in the proceedings. This booklet is especially interesting as this subject is being discussed by many labor unions at the present time. Subjects discussed were: problems arising from expanded pensions; industry's problems in pension plans; pension problems of the moderate sized company; financing voluntary pension plans; and collective bargaining of pensions.

TOMORROW'S MACHINE TODAY!

NATIONAL'S NEW SIMPLIFIES

This new National "Class 31" is the answer to the long-expressed desires for an accounting machine that would do more things automatically on Cycle Billing—thus saving more effort, saving more time, and further reducing costs.

It represents many years of experience and research, and the investment of millions of dollars. It is the last word in mechanized accounting.

Never before has one accounting machine combined so many important time-and-money-saving features. The 5 features listed below are but a few of the many outstanding advantages—but they will give you some idea of the new heights of achievement that have been reached in this newest National Accounting Machine.

But only by an actual demonstration, can you realize how this machine of TOMORROW will improve your accounting methods TODAY. See the special CYCLE BILLING model! See also the MULTIPLE-DUTY model for all types of accounting—including Cycle Billing.

A FEW OF ITS MANY OUTSTANDING ADVANTAGES.

- Automatic selection and control of more than 70 functions by arrangement of the posting control bars.
- 2. Simultaneously adds and subtracts—or transfers balances—into any combination of totals.
- 3. Instant, positive correction—in a single operation—of amounts entered in error in any combination of totals.
- **4. Electrified typewriter keyboard** . . . faster, smoother, easier operation . . . uniform impressions on multiple copies . . . permits description whenever desired.
- Fluid drive carriage travels in either direction, smoothly, at uniform speed.

These—and many other time-and-money-saving features never before combined on one accounting machine—will give you amazing cost-cutting and profit-building benefits on both CYCLE BILLING and MULTIPLE-DUTY accounting.

ACCOUNTING MACHINE



THE NATIONAL CASH REGISTER COMPANY, DAYTON 9, OHIO

ACCOUNTING MACHINES CASH REGISTIRS - ADDING MACHINES



Plan for Rehabilitating Debtors

W. J. WALLACE, Secretary-Manager, Retail Merchants Association, Houston, Texas

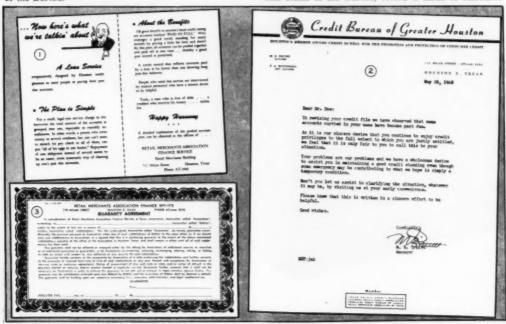
The Retail Merchants Association of Houston, Texas, has recently added a new department to its already unusually complete service. It is called "The Retail Merchants Association Finance Service." Established last December, the new agency has shown rapid growth and has been accorded ready acceptance by both stores and customers. Designed to extend financing service to consumers and merchants, the Service uses funds obtained from banks at commercial rates, and makes loans to customers who may have slow accounts at one or more of the local stores.

Separately incorporated, but wholly owned and operated by the Merchants Association, its policies and procedures are directed by the members of the Association through the officers and Board of Directors. Facilities are available to any retail store of good standing and to any consumer deemed worthy of rehabilitation. The success of the plan has exceeded expectations. Interest charges are reasonable, because the department is operated principally as a service to members. Such small profit as may accrue will be used in the general expenses of the Bureau.

Cooperation between the Bureau and the credit executives has resulted in the settlement of many accounts deemed serious collection problems. It is believed that a debtor, given a fixed monthly account to pay can usually do so, at the same time meeting current expenses, thus preventing lasting harm to credit standing that would result from piecemeal payment.

The store refers customers whose accounts are past due to the Retail Merchants Finance Service, at the same time giving the customer an attractive booklet called "Happy Harmony," which explains in friendly and breezy style the details of the Service. The Bureau is notified and to strengthen the effect on the customer, a letter is sent by the Bureau, mentioning no store name but indicating that from the records the Bureau has, a slow credit record seems to be developing and suggesting that a call at the Bureau would be profitable.

Some merchants have inserted the booklet "Happy Harmony" in all collection letters and notices. Efforts are currently being made to expand the benefits of the Service. As credit reports are revised, and new information comes to the Bureau, record is made of customers



whose accounts indicate growing involvement. "No name" letters are sent to these customers from the Bureau, advising them that the Association can assist them in the protection of their credit.

At the same time, those merchants shown to be creditors are sent an "Automatic Delinquency Report," setting forth the customer's credit status, using store code numbers for identification. Where the customer is deemed a good loan possibility, the report bears a red seal. It is suggested that the store send a "Happy Harmony" booklet to the customer, thus providing psychological preparation for the customer acceptance of the desirability of seeking a loan. One great advantage of the Service is that the Bureau is fully cognizant of the customer's obligations, and furthermore, the funds will be used for payment of such bills and not be used for other purposes.

Cost to the customer is modest. A twelve-month loan for one hundred dollars for example, can be taken out for a total cost of only eight dollars, which includes fifty cents for insurance covering the balance of the loan in the event of the death of the borrower. In addition there is an inducement held out to the borrower to speed up payments by refunding part of the interest charge on a graduated scale according to the number of months payment is anticipated.

Because of the confidence customers have in the Merchants Association and because of the manifest fairness of the arrangement, Houston consumers have shown great

interest in the Service, and satisfaction with it. No complaint has been noted from any customer concerning the letters or the sending of the booklet. Indeed the Service has received many unsolicited requests for information.

It is now certain that the new finance service will benefit local retail concerns in many ways. It will aid stores in the collection of accounts not otherwise collectible and relieve them of further collection efforts when a loan is granted. It will restore buying power of an overextended customer by giving him a chance to rebuild his credit in a convenient and orderly manner. It also has the important result of bringing back store's customers who have stayed away because of sensitivity about their past-due accounts.

Although the merchants accept a contingent liability by signing an agreement guaranteeing the finance service against loss from failure of debtors to pay as agreed, it is felt that there will be little occasion to make the agreement effective. Up to the present time, there have been no loan defaults and, therefore, no recourse on endorsers have been necessary.

Here are three of the forms used in the service:

Illustration No. 1 is the booklet "Happy Harmony" printed on three sides of the four-page booklet, the fourth page being blank.

Illustration No. 2 is the "No Name" letter sent out by the Bureau.

Illustration No. 3 is the Guaranty Agreement, signed by the merchants to whom proceeds of loans are made.

Reading this publication carefully and regularly will contribute to your success as a Credit Executive.

Use Those Blank Statements

Frederick and Nelson, Seattle, Washington, report good success in reactivating dormant accounts by using the statement message technique.

The message, written in longhand and shown below, was photographed on blank statement forms, which then required only heading up with the name and address of the customer. All accounts not used within a period of three months or longer were thus contacted.

Penny postage meter mail was used, as against the usual three cent postage in sending letters, of course resulting in considerable savings. Also sent was direct mail advertising to the out-of-town customers which brought about mail order sales that more than offset the entire cost of the campaign.

The response was excellent, a 25 per cent reply being obtained. A few complaints and criticisms were received, but these were far outnumbered by the flattering and laudatory replies.

Chiefly the adverse comments related to slow Mail Order Service, high prices, poor customer attention. These were classified and directed to the heads of the respective departments for personal attention. All were acknowledged either by phone or mail. The Store feels that by bringing these complaints to light and giving the customers an opportunity to express themselves the cause of better public relations was advanced.

The statement message idea, although old in practice nevertheless is potent in renewing use of dormant accounts. L. A. Buzzard, Credit Manager, attributes the great success of this particular campaign to the appeal and punch put into the message itself. Here is the message which was placed on the blank statements:

No, this is not a bill; you owe us nothing, because you have not used your Charge Account lately.

We sincerely hope we have not displeased you in any way, and that nothing has happened to cause you to change your good opinion of us.

Won't you write a few lines on the back of this Statement telling us why you are not using your Account, and how we may be of greater service?

L. A. Buzzard Credit Manager

MORE SALES ... Through Charge Customers



CREDIT= |= FLASHES

Notice

As a courtesy to our Canadian members, the Cincinnati Conference Committee will accept Canadian funds at par in payment of registration fees for our 36th Annual International Consumer Credit Conference, Cincinnati, Ohio, June 12-15, 1950.

For Sale

Credit Bureau located in county seat of 10,000 in northwest Minnesota. Collection department with large territory. Good opportunity for couple. Box 6502, The CREDIT WORLD.

Tulsa's Short Course in Retail Credit

The largest and most successful short course in retail credits ever held in Oklahoma was completed in Tulsa recently. The total enrollment of 390 was partly attributed to the fact that such a course had not been held since the war and partly to the bargain price of \$2.00 which included the book, Important Steps in Retail Credit Operation, published by the N.R.C.A. There was an average attendance of 360 for the three nights.

The highly intensive program each evening included a one hour lecture by Prof. Eugene T. Schauer, Oklahoma A. & M. College, then a half-hour panel discussion led by a chairman assisted by four prominent Tulsa credit executives from different lines of business. Panel Chairmen were: Carl Johnson, Sears-Roebuck Co.; Catherine Jahns, Allen-Lauhon Hardware Co.; and Julian Harris, Street's.

In the photograph below, Marion Leleu, Brown-Dunkin Co., General Chairman of the school is on the front row at the right. Prof. Schauer is at the microphone. Classes were held in one of the auditoriums at Central High School, located in the downtown area.

Frank M. Stephens

A member of the Lincoln Retail Credit Association for 33 years, and since 1928 as manager of his own collection agency, Frank M. Stephens was stricken a few minutes after leaving his office February 19 and died before reaching the hospital. He was president of the Lincoln Retail Credit Association in 1922, a member of the National Association's Quarter Century Club, a regular attendant at association meetings and had served on important committees, notably in support of legislation sponsored by the Credit Associations of the State.

Horace C. Barnhart

Horace C. Barnhart, 59, Secretary-Manager of the Retail Merchants Association, Austin, Texas, died May 10, 1950, at his home after an illness of three months. He was also Secretary-Manager, Austin Wholesale Credit Men's Association and Austin Retail Credit Executives and active in state and national credit associations. Because of his wide knowledge of business affairs, he was often called into service as trustee in bankruptcy in the United States District Court.

Born in Austin, he attended Austin schools and received his Bachelor of Arts degree from the University of Texas. He was a student in the law school for several years and then entered the law office with his brother after serving in the Air Corps during World War I. He was named Secretary-Manager of the Austin Association in 1927. Serving for 23 years, he became one of Austin's best known business men.

He is survived by his widow, a son and daughter, one sister and two brothers to whom the N.R.C.A. extends its deepest sympathy.

-Position Wanted

Credit Manager, age 33, 10 years progressive background as manager in two large New York Stores. Will relocate. Box 6503, The CREDIT WORLD.



Huntington's Successful Credit School

Is your Credit Division "in the doldrums"? Are you troubled with personnel problems or a shortage of trained workers in your credit offices? Is there lack of cooperation between the Credit Bureau and its supporters, are collections slow in your community? Then, get to work and promote a Credit School! It can't cure all these ailments overnight, but it can get you started in the right direction. There will be so much enthusiasm, once the idea catches on, it will gather momentum and everyone concerned will profit from the project. That's what happened in Huntington, and it can happen to you!

For sometime, the officers of our Credit Division recognized the need for education of credit workers and in January of this year, the Board of Directors of the Huntington Business Men's Association voted to sponsor our project. The N.R.C.A. sent us a brochure How To Organize and Conduct Credit Schools, so with it in one hand, and with courage and enthusiasm in the other, we went to work.

A letter announcing the beginning of the School on Retail Credit Fundamentals was sent to the entire membership of the Association and in a few days, the enrollments started trickling in. Then came the avalanche! We had anticipated a class of about 30 people and when enrollment was closed with 101 students, a large number were still clamoring to get in. The class was then divided and two sessions held in order to encourage student participation and to keep the classroom atmosphere.

When the first publicity went out, comments from professional people were very encouraging. One of Huntington's most prominent dentists expressed hope that all members of the local Medical Association and Dental Society would be represented in the School. Secretaries in doctors' and dentists' offices were glad of the chance for help with their major "headache," and 17 were enrolled, plus one dentist who attended in person. Some extra sessions were held for this group to give them special help with problems peculiar to their profession. The Secretaries are organizing a permanent study club and will be a real force for better collections in the

We had several students from other than the retail field and they maintained unusual attendance and interest. But then, everybody stayed interested. Our instructor, Mrs. Mildred N. White, Reliable Mercantile Agency,

Galveston, Texas

The new officers and directors of the Galveston Credit Granters Association, Galveston, Texas, are: President, Edward Schreiber, Schreiber-Miller Furniture Co.; First Vice President, Alex Kottwitz, Nathan's; Second Vice President, J. C. Randolph, Southern Union Gas Co.; and Secretary-Treasurer, Elaine M. Matthews, Nathan's. Directors: Gordon A. Williams, Lack's Auto Supply Co.; Mrs. Jerry Gombold, Michael Jewelry Co.; Wm. J. Sadler, Merchants-Professional Adjustment Bureau; and Ben Nathan, The Model Shop.

-Position Wanted-

Young man desires position as assistant credit manager. Ambitious and attentive. Four years in credit work. Box 6501, The CREDIT WORLD.

had unusual ability in keeping the discussion moving along, and there was never a lagging moment. For future classes, we plan further extension of the program. Fifteen weeks can be used easily as the eight sessions we planned were hardly sufficient.

We invited several guest commentators, selected from the top of each profession, thus building the prestige and dignity of the School. For the climax, we called on the National Office for our guest speaker. Leonard Berry, Educational Director, was sent to address our graduation dinner, at which some 150 people were present.

The Credit School Committee was very happy with the achievements of the class, but after Mr. Berry's address, "A Challenge to Credit Granters," we knew we had only made a beginning. It is a good beginning though, and plans are already under way for our next class. Huntington has not had a "Pay Promptly" campaign for 25 years, but we have the nucleus for one now. People are eager to learn and it is the responsibility of those who have gone before to blaze a good trail, to raise our standards always, and to continue to learn.

The picture below was taken at the graduation dinner, held on April 12, 1950, at which time Certificates of Proficiency were presented to 75 students. Left to right, are: Mrs. Mildred W. White; L. A. MacPherson, President, Huntington Business Men's Association; Gwen V. Staley, Chairman, Huntington Credit School; Leonard Berry, Mrs. Mildred Weinberger, President, Huntington Retail Credit Association; and Victor Wormser and Mrs. Lida Wilmoth, Huntington Credit School Committee.—Gwen V. Staley.



CREDIT DEPARTMENT TEMES

LEONARD BERRY

INSTALLMENT SELLING is now definitely and properly a part of our economy and few are the stores who do not have some form of deferred payment plan to offer their customers. Indeed many have several, to meet various needs. These plans have a variety of names and distinguishing minor characteristics, but they all have a common denominator, they are predicated on the requirement of payment of a specific amount on a specific date. There is none of the aura of vagueness as to exactly when payment is to be made about an installment account that so often surrounds a monthly account. The arrangement is clear and unmistakable. The customer agrees, to do thus and so.

It would be difficult to find any retail credit authorities today who oppose installment selling in general as a sound manner of making the products of our enormous productive capacity available to more consumers. There are, of course, differences of opinion as to the length of time installment contracts should run, the total amount of credit that should be granted and other details, but none as to the need for installment credit and its worthy place in the credit program.

A phenomenon of the past two decades has been the rapidity with which installment buying shed its cloak of being something slightly immoral, used only by the flighty and irresponsible. Even when it became thoroughly established as a correct, proper and dignified way of merchandising "hard" goods there was still a reluctance on the part of many credit granters to concede the same soundness and propriety to selling "soft" goods on a similar basis. That reluctance melted as success attended the efforts of the pioneers in installment credit sales promotion.

Today there are many varieties of installment credit plans, allowing periodic payments for everyday purchases, many of them carrying all the privileges and conveniences of regular monthly accounts. No longer is it wise or accurate to separate one kind of credit customer from another, and deem one type of customer "better." The truth is that monthly account customers are also installment buyers too.

Installment credit is here to stay, and has proved itself to be sound and profitable for both granter and user, if properly controlled and administered. It has emerged from its stepsister role and has now an important part in the drama. Currently sales on installment plans of various kinds have reached unprecedented highs and accordingly, installment collection problems have multiplied.

Of necessity, installment collections must follow a more rigorous pattern than is usual with the monthly account. There is less need to be tentative and gentle, particularly in the early states of past-dueness and certainly there is more urgent requirement for an early start and persistent and insistent follow-up. Yet the same general rules of good letter writing apply to installment collection letters and notices as they do to the regular charge account. Good will is just as important a factor with installment customers as it is with monthly account patrons. Repeat sales are essential to con-

tinued success. Ill will engendered as a result of sharp, clumsy collection work will have costly reverberations.

It is entirely possible to comply with the necessarily rigid collection requirements of installment credit and at the same time keep the friendship of the customer. To accomplish this requires skill, but the results will well repay the store for devoting time and expert effort to installment collections. Successful installment collections are made by a person who is challenged by the opportunity to collect pleasantly and promptly, and who has humanity, salesmanship, resourcefulness and persistence in nicely balanced proportions rather than a heartless, embittered toughness and cold routine.

Experienced installment collectors maintain that a clear understanding on the part of the customer of the terms is essential. They find that when a customer knows exactly what amount to pay, and when to pay it, and realizes that you definitely mean what you say, every sincere effort will be made to comply. Installment credit sales arrangements are no place for fuzzy statements or slipshod routines. Clarity and emphasis in stating terms of the sale are of first importance, and promptness in following up is the second ingredient in the successful formula. Collection troubles are minimized by early education of the customer that the due date must be adhered to. Laxity in the protest of even slight delay in making those critical few early payments builds up a feeling that the creditor does not seem to mind very much, so why should the debtor worry. Every credit granter owes to himself and the others in the field, the upholding of the principles of good customer attitudes toward debt. By all means sell the goods. Grant credit generously, but insist on prompt payment of each installment, doing so in such a manner as to build good will and ensure repeat business.

This Month's Illustrations

Illustration No. 1. This friendly letter, used by Kline's, St. Louis, Missouri, is typical of the fine communications sent by Credit Manager, E. F. (Jack) Horner, to his customers. He points out the advantages of not allowing payments to accumulate.

Illustration No. 2. Many of the stores offering some type of revolving credit account find that credit limits are often exceeded and a notice has to be sent to the customer. J. Robert Fagan, Credit Manager, B. Forman Company, Rochester, New York, finds this notice effective.

Illustration No. 3. C. Glenn Evans, Credit Manager, The Halle Company, Cleveland, Ohio, has prepared a series of attractively printed and worded cards for use in contract account collections. We show just two of these as indicative of the dignity and impressiveness made possible with printed material

Illustration No. 4. This collection reminder used by Murphy-Gamble, Limited, Ottawa, Canada, has been selected to illustrate the use of the self-addressed envelope type of collection letter. This makes it easy for the customer to enclose the payment and drop it in the mail.



(1

May 20, 1950

Mrs. John Blank 1234 Jones Street Seint Louis

Dear Mrs. Blank,

Our records of your Deferred Fayment account show that you are to make payments of \$12 on the 15th of each month. At the present time there is a total of \$12 peat due.

Our Deferred Payment plan is designed to give you the advantage of paying for this mer-chandise in equal monthly payments. You can readily see that if any payments accumulate it may be inconvenient to make complete settlement in the stipulated time.

We shall appreciate your remittance to cover the past due portion of your account before your next payment becomes due.

Very truly yours,

E. F. Hornor - Manager of Credit Sales

In addition to the payment to which your attention was recently (3) directed, the remittance for the current month on your contract account will soon be due.

When this account was opened you were given the benefit of liberal terms. We are confident that you intend to maintain this contract as agreed and request your re-

Date my 6, 1950 Amount duc 5 6.10

The Halle Bros. Co.

In addition to the payment to which your attention was recently directed, the remittance for the current month is due on your contract account.

When this contract was arranged the terms were mutually agreeable and we understood that the plan met your requ It is therefore necessary that we request payment of the past due portion now, and in the luture compliance with the agreement contained in the note and chattel mortsage. Amount due \$17.54

Ehr Halle Bros. Ca.

B. FORMAN COMPANY

66 Clinton Avenue South Rochester 6, N. Y.



mrs. John Doe

8460 West Avenue

Rochester, New York

PBA Over-limit Notice

On way 2, 1950
of your PBA account was....
The limit assigned to you is.
Amount purchased over-limit.
Amount necessary to pay now.

No further purchases may be added until the account is brought is date by payment of the above amount. Enclose this notice with your payment or bring it in when paying so that we can restore your account promptly.

B. FORMAN COMPANY

CREDIT DEPARTMENT





Mrs. John R. Stevenson 6240 Commonwelth Road Ottawa, Ontario, Canada

Good Morning:

L

May we ask a favor? Please use the mails— Slip your cheque covering account listed below in this handy envelope.

Total of account 2 75,00 . Due portion \$ 15,00 . May we express a word of appreciation for your business ... and a friendly reminder that your account is presently due. Thank you.

Credit Manager.

May 11



Changes in the Bankruptcy Act

Two decisions in 1943 by the Supreme Court of the United States and the U.S. District Court for Eastern Missouri, cast great doubts upon the validity of theretofore universally accepted secured-credit. Those decisions are known as Corn-Exchange Bank & Trust Company v. Klauder, 318 U.S. 434, and Matter of Vardaman Shoe Company, 52 Fed. Supp. 563.

These decisions were related to section 60-a of the Bankruptcy Act (the preference section), passed originally in 1898 and involved a continual tug-of-war under it between secured creditors and trustees in bankruptcy, and under which the Supreme Court consistently resolved the conflict in favor of secured creditors.

After original passage of the Act, there developed a line of cases known as the "pocket lien" cases, wherein the Supreme Court recognized as valid deeds, mortgages, and other liens on realty and personal property, even though tardily recorded or not recorded at all, because such instruments of record were not invalid under applicable state recording laws; and in one case a pledge of stocks and bonds, consummated within the four-month preference period at a time when the pledger was hopelessly insolvent, was recognized as a valid pledge merely because the promise of pledge had been made before the beginning of the four-month period and despite the fact that nothing had been done before that time to carry out the promise.

To correct this situation in order to restore the balance in favor of trustees in bankruptcy as representative of the body of general creditors, the Chandler Act of 1938 amended section 60-a in such a way as was believed would make it impossible to make such rulings in the future as that recited above.

The Chandler Act amendment set up the so-called "hypothetical bona fide purchaser" test, applying to preference cases. Under it, any transfer, which had not been so far perfected prior to the filing of the petition in bankruptcy as to prevent a bona fide purchaser from the debtor from thereafter acquiring any rights in the property, was deemed to have been a transfer made immediately before bankruptcy.

In the Klauder case referred to above, the Supreme Court interpreted this amendment to the Bankruptcy Act so as to strike down the assignment of accounts receivable, given long prior to the commencement of the four-month period and for full value. The assignee had advanced its money at the suggestion of the majority of the unsecured creditors of the assignor, so that the latter might meet its payrolls and other operating expenses. But the security was held forfeit because the assignee had not notified the account debtors at once upon the delivery of the assignments, as required under Pennsylvania law. In the Vardaman case, although there was no

local state law requiring notification, nevertheless the law of Missouri as interpreted by the Federal court was held to mean that the trustee in bankruptcy acquired rights superior to those of two assignee banks who had financed the corporate debtor prior to reorganization. Such financing had been obtained by assignment of accounts receivable to the banks, and the Court held that lack of notification to the debtors of the making of the assignments defeated the right of the banks to claim funds collected by the trustee.

To cure the more undesirable features of the decisions interpreting the Chandler Amendment, Congress has changed the law by Act of March 18, 1950 (Public Law 461, 81st Congress), which became effective upon passage but did not apply to past transactions. The objectives of this amendment of Section 60-a are to retain unimpaired the basic object of the Chandler Act of 1938 in eliminating the "relation back" and "pocket lien" doctrines of the earlier cases; restores the trustee in bankruptcy to the position of a lien creditor and eliminates his taking the position of an artificial and potential bona fide purchaser; and provides that no transfer made in good faith, for a new present consideration, shall constitute a preference to the extent of such consideration actually advanced, if the provisions of applicable state law governing the perfection of such transfer are complied with, with a rigid time limitation of Twenty-one (21) for such perfection if such limitation is not itself prescribed by the applicable state

Equitable liens in the hands of a secured creditor are not valid if available means of perfecting legal liens have not been employed by him.

Chapter 13, Bankruptcy Act

At the last meeting of the Legislative Committee of the Association, there was considerable discussion relative to the advisability of changing the wage-earner exemption to apply to salaries considerably above the \$3,600, maximum now provided in the present law. It was felt that in comparison to present-day salary scales, that amount is very low, and thus many who might not otherwise suffer themselves to have the stigma of bankruptcy attached to them, under circumstances. where there is a complete loss to many creditors, become compelled to do so, rather than availing themselves of wage-earner plans. A Resolution was adopted by the Committee that "Efforts be made to obtain a \$10,000. minimum salary limitation under this provision of the Bankruptcy Act, rather than the present \$3,600. maximum" and thus bring the intent of that section of the Act within present-day salary and wage scales. It is felt that many of the members of the Association will be interested in giving some impetus toward obtaining such a change and in getting proposals for such a change put into motion.



What Can You Do With a Credit Bureau Report?

IF YOU are one of the vast majority of credit executives who is making full use of his credit bureau's services, you have probably already found the many ways

in which credit reports can help you.

Some credit managers and credit department personnel, however, have not fully explored the possibilities of the many types of Factbilt reports available. Factbilt credit reports are set up for the dual purpose of helping credit granters to find new business and steering them away from bad risks. If you have not investigated them, you are overlooking an excellent medium for developing profitable consumer credit sales.

There are several general purposes that a credit bureau report serves:

- (1) It verifies statements made in the credit application.
- (2) It identifies and establishes the particular prospective credit customer as a potential charge account user.
- (3) It serves as a tool in granting credit, because the credit report supplements the judgment of the credit manager or credit personnel.

What I would like to talk to you about is what you may do with each type of credit report that is available through your bureau.

General Services Offered

Most credit bureaus supply the following services: Check references, employment, furnish file and up-todate oral file reports, trade reports, written and out-oftown reports.

In checking references, you merely verify the applicant's statement of experience, for generally the reference will

be favorable anyway.

Verification of employment with income helps you to determine capacity and credit limits; the "load limit" of a credit customer or family is definitely determined by employment and salary.

File and up-to-date oral reports can alert you to what kinds of prospective customers are applying for credit. They may indicate whether you need more detailed reports.

A trade report may be used to learn how a present customer is paying other credit granters. It is a valuable aid in determining whether to increase credit limits—or if you should extend credit on a large purchase such as a new television set, suite of furniture, or any other major purchase.

A complete written report may advisably be obtained on each new customer, if it appears that the customer may be a permanent account. Thus you will have a background of information about that account which you may use not only for the initial purchase, but also for many years of profitable charge account business.

Out-of-town reports may be ordered to check antecedent information on newcomers. This service provides you with former credit transactions in a customer's record.

Special Services Offered

Did you know your credit bureau can supply a credit report known as a Collection Aid report? Every credit granter has slow and troublesome accounts—accounts that are not unsatisfactory enough to place for collection, but which worry you as to whether or not you should keep them, close them out, or start collection procedure immediately.

A Collection Aid report from your credit bureau can often supply you with the answer you need. It particularly covers important questions such as the number of a customer's dependents; his position; if out of work, the reasons; what property owned and where located; possibility of inheritance; and other facts which may direct your collection effort.

Another service which can be arranged for in many bureaus is newcomer service. You can work out some type of plan with the bureau whereby newcomers to town are screened as to credit desirability, and then you can make a strong effort to secure these people as credit customers for your store.

Besides the regular services which your bureau offers, you will find that the manager is anxious to supply any special report service. Consult your bureau manager freely.

Three C's of Credit-Plus One More

Keep in mind that a Factbilt credit report answers those three vital questions, "Can he pay?" "Will he pay?" "Can he be made to pay?" and that a revised or supplemental report may help you determine whether credit limits are right, in light of present conditions.

"Conditions" could well be the fourth "C" after the three "C's" of credit—character, capacity, and capital. Credit reports help determine "conditions" of credit customers in all walks of life. They can help you to find business which otherwise might be lost. Your daily intelligent use of credit reports can do much to influence your success as a credit executive.

Granting Credit in Canada (C. B. FLEMINGTON .. Canadian Correspondent

The Credit Manager

MRS. K. M. BLEAKNEY, Credit Manager, Marven's Limited, Moncton, N.B., Canada

THE CREDIT MANAGER, although an important factor in all businesses today, is looked at askance by the majority of the staff, and in particular, the salesmen of the company by whom he is employed. He is a "necessary evil", a person to be avoided by salesmen if collections have not been what they should. He is the person who prevents that extra special customer from getting an order when his ledger says his account is long past due, and hence, gets the salesman on the "black list" at that particular store.

Let us look him over, as a human being. His first and last duty is to his employer who has placed in him a trust and a great responsibility rests upon his shoulders. When passing orders he should be careful in studying past experience with the account, and if a new account is should be investigated before the order is shipped. The company that does not seek bad debts is to be avoided as a plague and it is the credit man who is responsible for keeping these bad debts at a minimum. At the same time he has to be so tactful that no business is lost during the course of his endeavours to collect these accounts.

First let us ask, "What is credit?" It is the power to obtain something of value by giving a promise to pay in the future. When goods are sold by the salesmen, or orders are accepted through the mail, it is generally understood that they will be paid for and the terms of the sale are usually known, or stated on the invoice when the goods are delivered, therefore, the customer knows that he has to pay for the goods and also, approximately when. If he does not do so, then the credit manager proceeds to collect. If he has the co-operation of the salesmen, to which he is entitled, he can call upon them for assistance. A visit to the customer and a few words lightly spoken, may often have the desired effect, or at least the reason for non-payment be made known. If not, the credit man should write a letter to the customer and at the same time advise the salesman that he has done so.

The letter should draw attention to the account and request that the matter be given attention. In some cases it may be that the customer is temporarily "financially embarrassed" and he will probably write and explain. Others may call and see the credit manager and a plan can be worked out whereby the overdue account can be settled by instalments and at the same time continue to sell the account goods on a C.O.D. basis. The main thing to be kept in mind is not to lose the overdue account or the customer. Unless he is an undesirable creature, with no policy at all, every endeavour should be made to keep him as a customer after the account has been collected, even though he may have to be sold on a different basis.

Collection letters should be polite and to the point. The days when credit managers "presumed the account was overlooked" have passed because it is usual for statements to be forwarded monthly to all customers and if they really overlooked the account, it is not likely it would pass their attention the second time. Such letters should be followed up, not neglected, and if the matter is just ignored, more firm action should be taken. In extreme cases, where the account is advised that the matter will be placed for collection if not paid within a certain time, the credit manager should keep his word and place the account for collection on the date stated.

The salesmen and the sales department, can greatly facilitate the work of the credit manager, by not urging him to pass orders where he feels the credit is definitely bad. He usually has a good reason for holding the order. In the case of manufacturers and producers, where the salesmen feel the account should be sold, the order could be placed through a wholesaler. The account would be retained indirectly and customer and salesman would be happy.

The credit manager should belong to and attend the meetings of at least one Association in order that he may exchange views on mutual accounts. He should also request reports from his Association whenever he is in doubt about an account and he will then be in a position to judge whether the credit of these concerns should be enlarged or curtailed. He should read all bulletins which reach him and keep his eyes and ears always open for information which he may gather from many sources regarding any of his accounts or prospective accounts. In fact, he should always be "on his toes".

Apart from passing orders and collecting accounts, there are many things which come under the jurisdiction of the Credit Manager. For instance, when goods go astray or get lost in transit, it is the duty of the credit manager to have them traced; see that the customer is credited and the correct transfer charged for the loss in order that the company is not out of pocket. Sometimes it is necessary to contact more than one transfer where goods are consigned to a certain point and then are redirected by the original freight carriers, but a file should never be closed until all parties have been correctly credited and debited.

Claims should always be thoroughly investigated before credit is passed for damaged goods and the like. The goods for which the credit is passed should be destroyed in the presence of a representative of the company, or else returned for inspection. This ensures that credit is not passed for the same goods more than once. Where cash discounts are allowed for payment within a specified time, the credits should be checked to make sure that the time limit was not extended.

Where drafts are returned paid on "_____ on account of within" a new draft should be drawn for the balance and exchange and interest charged to the customer concerned, for the bank charges are doubled in such cases, and if the customer has requested that he be a "draft" account, it is his responsibility to see that the draft is paid and not returned to the drawee. Where customers default and do not pay the drafts or anything on account, they should be removed from the draft list in order to save the cost of further drafts which might be returned. The customer should always be advised of this procedure.

Promissory notes should be kept in a safe place and inspected from time to time to see that they are presented on the correct date, as also should post dated cheques. "N.S.F" cheques present a problem at all times, but it would seem that it works in cycles. For a time all will be well, and then an "N.S.F", followed by another, and perhaps another. This is real cause for alarm, but can be dealt with in a very effective manner.

Most people are aware that to present a cheque, knowing that sufficient funds are not available when it is drawn, is a criminal offence and although the charge is not often pressed, one can sometimes see it reported in "Dun's Bulletin" that a certain party has a judgment against another party for the amount of an "N.S.F" cheque. It often happens that a person will write a cheque, knowing that the funds are not there, but believing that they will be, at the time the cheque is presented. If the bank works overtime, or extra fast and the cheque reaches the bank upon which it is drawn a day earlier than the drawee anticipated, the result is "N.S.F". It is always well to give the customer the benefit of the doubt on one occasion at least and it is a good policy to have the cheque presented immediately for payment.

A method which usually brings results is, for the credit manager to write the customer and explain how surprised and disappointed he is that the cheque has been returned. but that he is requesting the bank to present it again on such a date, and trusts that it will be honoured, or words to that effect. By the same mail, a letter would be written to the bank manager at the branch where the cheque was drawn, requesting that he present the cheque again on the date stated and if not honoured to pass to the bank's solicitors for collection. A copy of this letter would be attached to the letter written the customer and in nine cases out of ten, the cheque will be honoured and usually the customer will request a further order. It is in cases where the drawee did not intend to meet the cheque in the first place that offence is taken by this action.

Copies of all letters written to customers regarding accounts or orders held for collection should be forwarded to the salesman and the sales department advised. The credit manager should also further co-operate with the sales department in that he should watch all accounts, whether prompt in payment, or otherwise, and if they are buying less goods, he should pass the information along to the sales manager, who in turn could discover the reason from the salesman and perhaps the volume could be increased.

The bigger the sales, the bigger the bills and more work for the credit man, but if he is the man for the job, he does not mind that, he likes it! The thrill of seeing a cheque for that 'bad account' which was not so bad after all; the "N.S.F" for which funds were provided



"In all probability you have been told by thousands that The CREDIT WORLD is not only chock-full of educational material, but the cover rates number one in our Nation. The personnel of our office anxiously awaits each issue and dozens of remarks are made about the art work on the cover. It is really attractive and you are to be complimented on your good work."—Ray E. Gorsuch, Credit Bureau of Des Moines, Des Moines, Iowa.

"Thank you so much for the certificate of membership in the Quarter Century Club. Before entering retailing, the N.R.C.A. appealed to me as one of the most helpful agencies in promoting intelligent credit granting. Credit management requires the fellowship of and the cooperation with other credit granters. The local and national Associations make this possible."—Clarence E. Wolfinger, Lit Brothers, Philadelphia, Pa.

"This will acknowledge with sincere appreciation the certificate of membership in the Quarter Century Club. It is gratifying to have this as evidence of membership. If I was able to contribute to the success of the N.R.C.A., and offer in my humble way something constructive, I am more than repaid and my only wish is that I might have done more."—E. F. Horner, Kline's, St. Louis, Mo.

1

"I wish to express my appreciation to you for the beautiful Quarter Century Club certificate which you sent me. It has been framed and is hanging in my office. Having belonged to the Association for more than 25 years is an honor I shall always cherish."—W. O. Bollum, D. J. Cole Co., Billings, Montana.

"Please extend my thanks to the Association for their kindness in awarding me the Honorary Life Certificate. It gives one a thrill of pleasure to be remembered and given a pat om the back by those old friends with whom you worked during past years."—Fred A. Thompson, Masonic Home, Minneapolis, Minn.

"The St. Louis Association has just completed another retail credit course. For over 25 years we have conducted these courses and we find the interest just as keen as ever. Over 1,000 have taken these extended courses. The book 'Retail Credit Fundamentals' was used with these courses along with outside sources, enriching the study."—A. J. Kruse, Associated Retail Credit Men, St. Louis, Mo.

"The least I can do is to write a cordial and sincere thank you for the wonderful certificate just received. It already occupies the most prominent place on the wall of my office and I confess a secret pride and some measure of contentment in knowing that I survived two wars in the performance of my little bit in helping control credit."—A. C. Moreau, Hartford Credit Rating Bureau, Hartford, Conn.

the second time it was presented, it all makes a worth while job. To be really successful a credit manager should possess:

- Personality and the ability to meet and talk with people; to put them at their ease when discussing delicate matters, such as credit.
- Tact, to be able to handle that awkward person who would not buy another cent's worth of goods if you spoke one word out of turn.
- Insight, and understanding for the customer who is really "up against it" for the time being.
- 4. The courage to make decisions, and
- The strength to carry them out, having once made the decision.

Collection Scoreboard

Compiled by the Research Division

April, 1950

April, 1949

CITIES	DE	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES							MEN'S CLOTHING					
CITIES		1950			1949			1950			1949						1949			1.950			1949			
	AV.	HI.	LO	AV.	HI	LO	AV	HI	LO	AV.	HI/	LO	AV	HI.	LO	AV.	HI	LO	AV	HI	LO	AV		LO		
Atlanta Ga	14			14			2						22			-0			7							
Baltimore Md.	45.1	48.1	42.6	47.1	503	434	18.1	24.1	13.6	23 2	121.2	19.6	44 4	481	40.2	47.3	50.0	445	400	43.0	370	416	1.	1		
Birmingham. Ala.	48.2	59.5	41.0					26.1	144	24 8	290	213	488	586	395	463	50.4	421		53.1		53.4				
Boston Mass.	34.			-			-			12				-		-	-	72	30.0	33.1	434	33.7	7			
Cedar Rapids. Ia.	60.2	62.4	581	62.6	63.3	61.9	19.1	19.5	18.8	23 4	26.6	203		830			92.0		72.6	74.0	71.2	20 4	810	72		
Cincinnati Ohio	56.1	62.0	480	57.4	63.2	45.7	16.9	30.5		r	30.5		60	62.5	57 R	60.3			55.7		529	17.				
Cleveland Ohio	49.6	55.2	428					258					38.1										585	30.		
Columbus Ohio	-											230	30.1			71.1	31.4	403	00.0	95.3	449	09.3	910	47		
Davenport Ia	1 4			-			1																			
Denver Colo	47.7	49.9	389	513	58.5	45.8	215	61.9	18 8	25.8	348	242	430	49.0	38.0	19 €		42.0								
Des Moines, Ia.	14			-			-			-	24.0		13.3	430	30.3		70.3									
Detroit Mich	2			_												04.0	10.3	23.7				38.8	67.5	50		
Grand Rapids Mich										-						100										
Kansas City, Ma	56.0	61.5	475	62 1	640	600	19.9	20.4	12.5	24.7	36 5		22.1	775	620	640										
Little Rock, Ark	-			1		00.0	1	20.4		24.1	30.3	21.2	55 4	110	25.9	640	69.5	51.8	35 4	1116	52.8	64 0	69.5	51		
Los Angeles Calif							1 .						Ī -						17							
Louisville Ky.	490	51.1	46.9	AR Q	403	485	18.6	18.6	120	100	216	14.0	40.0	45.0		1.			12			11				
Lynn Mass	1			100	733	46.5	13.0	10.0	12.9	10.9	210	140	4u 8	45.9	3/0	4/2	56.3	41.0	492	54.7	441	499	60.9	44		
Milwaukee Wis	K3 6	63.1	496	56.0	81.2	513	18.3	17.5		240	24	22.0		-								-				
Minneapolis Minn		59 8			677	54.1	10.2	17.5	190	24.0	125	232	495	54.8	443	58 8	62.1	576			47.7	66.0	664			
New Orleans La	1	330	32.0	02.2	1	34.1	1 3.7	20.7	10.2	20.2	30.6	243	02.0	09.1	56.1	6/4	70.0	64 /	63.0		606	65.5	80 4	52.		
New York N. Y.	496	62 6	39.9	48.4	1550	440	183	243	128	19.7	20.	10.0			-				-			-				
Oakland Calif	59.1	62.1	51.1	59.1		47.6				22.3			445		435	1		45.3		573	537		59.9			
Omaha Neb	65.0		55.1					17.8	10.2	22.3		214	60.5		52 9		602		50.1	616						
Pittsburgh Pa	1	1	33.	00.5	10.3	33.0		11.0			25.0		_	500		33.4	55.6	55:2	-	60 8		62 4	65.8	59		
Providence R I				13												-			-			-				
St Louis Mo	57 0	60.0	545	53 2	56.2	47.0	17.9	206	10.4	27.0	22.0	240				-						100				
Salt Lake City, Utah	63.7	72.3				64.7			16.4	204	34 1	24.0	51.1	52 /	484	482	50 6	45.5					604			
San Francisco Calif	55.3			55.1			20.1				31.8			49.5	39.4	42.4	12.2	20.7	53.5			59 6				
Santa Barbara Calif	603			61.9		52.5	1	-11	10.0	230	31.0	230				43.4			503		47.5	1	59.3			
Sioux City, Ia	-	54.6		62.8		61.3		10.2		202	30.2	20.4	56.2	673	593		63.6		67 4	70.0		66.0				
Spokane Wash		-		02.0	04 3	01.3		10.2		20.3	30.2	20.4	30.2	613	51.0	61.5	640	59 0		670		75 9	80 3			
Springfield Mass	61.1	65.2	569	60 9	682	52.6	247	25.5	23.9	22.4	22.2	22.0	7	77		-	-		-			-				
Toledo Ohio	52.4							20.0						73.4	-		78.1	-	l	52.6		-	59.0			
Tulsa Okla	1	33.0	75.5	33.3	30.4	430	17.0	20.0	140	20.9	28.2	1.7-1	55.1	95.5	45.0	58.0	66.8	50.0	41.6	45.7	376	44.7	46.0	43.		
Washington D.C.	47.3	55.3	43.0	48.5	504	42.7	18.3	22.8	14 3	21.1	24	100	_					-	-			-				
Worcester Mass	52.4			1	56.0		10.3	29.1	14.3	21.1	24.1	18.0		50.0	40.0		-		-			-				
Youngstown Ohio	J. 4	33.3	31.0	34.3	30.0	33.0	_	29.1		_	39 2		52.5	56.0	490	52.4	53.8	51.0	-			-				
Ottawa Ont	53.8	60.4	51.4	51.7	£2 0	en.	24.2	100		200	-	-	1			-			7			-				
Vancouver B. C.	33.0	00.4	31.4	31.7	52.8	30.7	24.7	30.9	17.7	28.6	41.6	15.6				-			-	41.0		-				
Victoria B. C.	1					0				7			7			-										
	_		_	_	_		_		-	-			_			-		-	-			-		4-1		

INSTALMENT ACCOUNTS receivable at department stores on March 31 showed little change from those at the close of the preceding month, but continued substantially higher than those of a year earlier. Collections on instalment accounts were 13 per cent above those of February, and the collection ratio based on first-of-month outstandings rose 3 points to 20 per cent. The average repayment period for instalment accounts outstanding in March was approximately 8 months, about a month longer than in March 1946. Charge accounts receivable at the end of March were 3 per cent below those of a month earlier but somewhat larger than the amount outstanding on March 31 last year. Collections of the property of the control of the c

tions on charge accounts decreased 4 per cent from February to March. The ratio of collections during the month to accounts receivable at the beginning of the month was about 53 per cent, compared with 48 per cent in February and 55 per cent in March 1949. Department store sales showed somewhat less than the customary seasonal increase in March. Cash and charge-account sales were nearly one-third larger than in February, but cash transactions continued in smaller volume than a year earlier. The March rise in instalment sales was less marked than for other types of transaction; however, such sales were still considerably above the year-ago level.—Federal Beserve Board.



General Business Conditions

THE TOTAL VOLUME of business transactions that are being carried on throughout the country is now about 6 per cent higher than it was a year ago. The spring rise in activity has been a little greater than usual, due partly to the natural rebound after the period of uncertainty in connection with the coal strike. Part of the more favorable comparison with that of a year ago is due to the fact that last year the trend was gradually downward. Very likely the comparison will be even more favorable during the next few months, although only moderate changes are expected.

Trends in business this year have been even better than were generally expected, and no significant signs of any marked reversal have been evident. The demand for goods remains strong both from consumers, as is indicated by retail sales, and by business, as is indicated by expenditures for new plants and equipment. All markets are holding up well, with declines in some lines more than offset by increases in others. Output of durable goods, such as automobiles, building materials, and house furnishings, is making most striking gains.

While business activity in all sections of the country is higher than it was a year ago, the greatest gains have been in New England, the Southeast, the Southwest, and in the southern part of the Pacific Coast region. A variety of factors account for this good showing in the widely separated regions. The high level of business activity is being sustained by many powerful economic forces, and this fact provides further assumed that the present rate of output can be maintained for a somewhat longer period.

The areas in which business is lagging behind the general average are the industrial sections of the country and in the West where the effects of severe winter weather have resulted in some slowing down. The most recent reports, however, indicate that a substantial improvement is taking place in both the industrial and the agricultural areas.

In the agricultural areas, weather conditions have not been favorable for early spring work on the farms, and, in some sections, especially in parts of the winter-wheat states, lack of moisture has retarded crops. These uncertainties are being reflected in reduced consumer buying and lagging business activity. Farm income has, also, fallen more than other types of income, although it is still high as compared with that in most previous periods. Trends in agriculture will be watched closely during the next few weeks for clues as to the rate of general business activity throughout large sections of the country.

In Canada, the volume of trade and industry has been holdings steady at a level about 3 per cent higher than it was a year ago. Physical volume of production and retail sales show about the same changes although there are wide variations among individual lines of business. Gains have been greatest in the region north of the Great Lakes where both industrial and agricultural conditions are favorable. Business activity in the western provinces has risen about the same as the national average, and current indications point toward further improvement. The outlook for the future in all parts of the country is for a continued high rate of activity.—Business Bulletin, La Salle Extension University, Chicago, Ill.

Consumer Credit

CONSUMER CREDIT expanded 189 million dollars in March to an estimated total of 18,328 million outstanding at the month-end. The increase reflected gains in all major types of instalment credit. During the year ending March 31, total consumer credit rose nearly 3 billion dollars, about nine-tenths of which represented the growth in instalment balances. Instalment credit outstanding was up 207 million dollars in March, bringing the end-of-month total to 11,103 million. Automobile sale credit originating at dealers increased at a somewhat faster rate than in the three preceding months and

accounted for more than half of the March gain. Other sale credit outstanding rose slightly after two months of seasonal contraction. Instalment loans outstanding on March 31 were about 78 million dollars, or 2 per cent, larger than at the end of the preceding month. Charge-account indebtedness declined slightly during March to 3,209 million dollars and at the end of the month was 3 per cent larger than a year earlier.—Federal Reserve Board.

Retail Furniture Report

RETAIL FURNITURE store sales showed a seasonal expansion in March reflecting substantial gains in both cash and credit transactions. Cash and charge-account sales were up more than one-tenth while instalment business increased at almost twice that rate. Total sales continued well above those of a year-earlier with an 18 per cent increase in instalment sales accounting for most of the rise. Cash and charge-account sales were in about the same volume as in March 1949. Instalment account receivables at the end of March showed little change from those of a month earlier, but were 28 per cent larger than on the corresponding date of the preceding year. Collections on instalment accounts were up more than one-tenth from the February level and, when related to accounts outstanding on March 1, resulted in a collection ratio of 11 per cent, 3 points below the March 1949 ratio. Retail value of inventories rose 8 per cent in March, but was 3 per cent smaller than on the corresponding date of 1949. Stock on hand represented more than four-months supply at the March rate of sale compared with about five-months supply a year earlier.—Federal Reserve Board.

Consumer Instalment Loans

CONSUMER INSTALMENT loans outstanding at the principal types of lending institutions increased 2 per cent in March to reach an estimated month-end total of 3,815 million dollars. Outstanding balances of each type of lender were up from the end of the preceding month. The over-all total was 19 per cent larger than on March 31 last year. The volume of loans made during March showed gains of 26 per cent from a month earlier and 17 per cent from a year earlier. —Federal Reserve Board.

Retail Instalment Credit at Furniture and Household Appliance Stores

INSTALMENT ACCOUNTS outstanding at retail furniture stores showed little change during March, as is customary during that period of the year. At the month-end, instalment indebtedness on these retailers' books remained well above that on the corresponding date last year. Instalment accounts outstanding at household appliance stores on March 31 increased slightly following two months of little change. Over the year-period, such accounts receivable increased by more than two-fifths. Collections on both furniture and household appliance store instalment accounts rose slightly in March and, when related to first-of-month accounts receivable, gave collection ratios one point higher than those for February. At both kinds of outlet the rate of collection in March was considerably slower than for the corresponding month last year.—Federal Reserve Board.

To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.

LOCAL ASSOCIATION Stelivities

Salt Lake City, Utah

At the annual meeting of the Associated Credit Men of Salt Lake City, Salt Lake City, Utah, the following officers and directors were elected: President, Harold Lambert, Burton Lumber & Hardware Co.; Vice President, B. Douglas Wheat, Keith O'Brien; Treasurer, Arthur Ridd, Continental National Bank & Trust Co.; and Secretary, Harry P. Earl, Credit Bureau of Salt Lake City. Directors: Vernon Best, Utah Oil Refining Co.; Wendell Romney, Z.C.M.I.; Harold Gloe, Morrison-Merrill & Co.; Roscoe Grover, First Security Bank of Utah; Ted Press, Utah Power & Light Co.; Arthur Ridd, Continental National Bank & Trust Co.; Eldon Taylor, Glen Brothers Music Co.; and Douglas Wheat, Keith O'Brien.

District One at Swampscott

At the annual meeting of District One held at Swamp-scott, Mass., May 9-11, 1950, the following officers and directors were elected: President, Alexander Harding, John H. Pray & Sons, Boston, Mass.; Vice President, Clifton M. Pike, Porteous, Mitchell & Braun Co., Portland, Me.; and Secretary-Treasurer, Marshall W. Hunt, Credit Bureau of Greater Lynn, Lynn, Mass. Directors: A. Everett Cameron, Ware Pratt Co., Worcester, Mass.; Edgar M. Courtemanche, D. M. Read Co., Bridgeport, Conn.; John A. Hendry, Ogilvy's Ltd., Montreal, Quebec; William J. Kirby, Gilchrist Co., Boston, Mass.; Doris M. Young, Porteous, Mitchell & Braun Co., Portland, Me.; and Charles M. Williams, Gladding's, Inc., Providence, R. I.

District Eleven at San Jose

At the annual meeting of District Eleven held at San Jose, Calif., April 23-25, 1950, the following officers and directors were elected: President, Robert D. Roberts, Union Oil Co., Los Angeles, Calif.; First Vice President, Walter L. Thornburgh, Jackson Furniture Co., Oakland, Calif.; Second Vice President, C. R. Froiseth, Earle C. Anthony, Inc., Los Angeles, Calif., and Secretary-Treasurer, Edna Burns, Oviatt's, Los Angeles, Calif. Directors: David K. Blair, H. Liebes & Co., San Francisco, Calif.; Peggy Frost, Merchants Credit Association, San Diego, Calif.; Chas. S. Gallagher, Farmers Union Hardware, San Jose, Calif.; Isabelle Hummel, A. F. Affleck's, Sacramento, Calif.; J. A. Koverman, Desmond's, Los Angeles, Calif.; Helen Pease, Eagleson's, San Francisco, Calif.; George Peterson, San Francisco Bank, San Francisco, Calif.; Dan Rowlands, Hale's, San Francisco, Calif.; Peggy Worrell, The Credit Bureau, Bakersfield, Calif.; and A. J. Wurst, F. C. Nash & Co., Pasadena, Calif. National Director, O. L. Kinzer, Jack Davenport Typewriter Co., Bakersfield, Calif., and Alternate National Director, Wm. F. Bradley, Gump's, San Francisco.

Salem, Oregon

The 1950-51 officers and directors of the Salem Retail Credit Association, are: President, Ford Watkins, First National Bank of Portland; Vice President, Richard Cox, Keith Brown Building Supply Co.; and Secretary-Treasurer, C. E. Schmitz, The Credit Bureau. Directors: Larry Morgan, Ladd & Bush, U. S. National Bank; Paul Wolf, Montgomery Ward; Myrtle Robb, Miller Mercantile; Helen Benson, Doolittle Master Service Station; Vern Livingston, Dairy Cooperative Association; Dave Holtzman, Kay's; and E. A. Lebold, M. D.

Lima, Ohio

At the organizational meeting of the Lima Retail Credit Managers Association, Lima, Ohio, the following officers and directors were elected: President, Esther Ralston, Suever-Nash Sales; First Vice President, Gerald Meyer, Samuel G. Blattner & Sons; Second Vice President, J. L. Pendleton, Sherwin-Williams Co.; and Secretary-Treasurer, Martha Bowholtz, Credit Bureau of Lima. Directors: Marguerite Christen, Edward J. Ricker: Nora Quinn, Quinn Paint & Wallpaper Co.; Robert M. Day, City Loan & Savings Co.; J. Harvey Gallant, Steele's Automotive Parts; H. J. Conley, South Side Building & Loan Co.; Evelyn Blosser, Colonial Finance Co.; Helen Kreinbrink, The Gooding Co.; Anna Carey, Dr. Dayne C. Brattain; Don Jenkins, Jenkins Jewelry Store; Teresa Kelley, Lima Telephone & Telegraph Co.; Mary Kennedy, Siferd-Hossellman Co.; Mark Richie, Allen County Collecting Co.; and L. W. Mannon, Credit Bureau of Lima.

Portland, Maine

The new officers and directors of the Credit Granters of Portland, Portland, Maine, are: President, Frederick E. Skillings, N. T. Fox Co.; Vice President, Clifton Pike, Porteous, Mitchell & Braun Co.; Secretary, William J. Foley, Credit Bureau of Greater Portland; and Treasurer, Mrs. Dorothea Wilbur, Boston Shoe Store. Directors: Scott Marshall, Sears, Roebuck & Co.; Robert Gass, Portland Gas Light Co.; Allvah H. Fabyan, Edwards & Walker Co.; Alice Chesley, Canal National Bank; Mrs. Irene O'Donnell, Rines Bros. Co.; Mrs. Ruth Singer, Credit Bureau of Greater Portland; Mrs. Gertrude Hutchinson, Atherton Furniture Co.; Oliver Brown, Maine General Hospital; and Clarence Fowler, Randall & McAllister.

Heads Chicago Hotel Credit Association

The Chicago Hotel Credit Men's Association has announced the election of Lloyd A. Gulley, of the Palmer House, to the post of president of the organization. He adds this distinction to another he already holds, that of being the only person to have held the key position of credit manager at the two world's largest hotels, the Stevens and the Palmer House.



AT THE INSTIGATION of "Parents' Magazine," the United States Department of Labor has retabulated data, collected in 1949, on 1948 family expenditures from a representative group of families and individuals in three large cities. The figures give a good indication of the relation between the expenditures of families with children and families without children. Detailed information as to the methods used in conducting the survey may be found in "The Monthly Labor Review" of April, 1949, published by the United States Department of Labor, Washington, D. C.

THE AVERAGE HIDDEN tax bill of 45 million taxpayers receiving \$5,000.00 or less per year is over \$500.00. In 1948 the Federal budget was one-third greater than the total returns from the six million American farms.

THE STATE STREET Council of Chicago recently conducted a survey which showed that 69.0 per cent of the 1,200,000 city's husbands wash dishes, shop, mind children, clean and wash clothes. Eight per cent even wash windows while four per cent iron.

THE FEDERAL Wholesale Druggists Association announces that 75.0 per cent of the total drug business and 65.0 per cent of the total grocery volume is done by independents. Drug chains have lost three per cent of the total volume of business since 1941.

* * * *
OUT OF THE average consumer's dollar, four cents goes for medical care in the United States. According to a Twentieth Century Fund report, more than half of this covers the services of doctors, dentists, nurses and others, while the rest goes for drugs, appliances and hospitals.

WITH UNITED STATES government expenditures estimated at 42 billion dollars, the question arises how much it really amounts to in understandable terms. It would make a stack of \$10.00 bills 240 miles high. It would equal the combined wages of one million manufacturing workers at present average rates for 15 years. It is \$700.00 per American worker or \$1,050.00 per American family. Spending that amount in a year means spending \$80,000.00 a minute for 24 hours a day for seven days a week for 52 weeks.

THE 1950 CENSUS is expected to show: 1. Women outnumber men for the first time in American history. 2. The center of population will have moved from Indiana to Illinois. 3. The density of population will have risen above 50 persons per square mile, compared with 44.2 in the 1940 census. 4. The average American in 1950 is better schooled than he was 10 years ago.

THE UNIVERSITY OF ILLINOIS releases publicity on cards the size of the familiar No. 10 envelope. It stands out in the ordinary pile of mail, has more space for its message, can be machine addressed and mails for a penny.

A MILWAUKEE concern gives as many as 20 annual scholarships to children of employees who have worked there at least three years. The winners have a choice of their own course. Scholarships are for one year, but are renewable.

BUFFALO HAS A nation-wide greeter service available to communities wishing to start with the right foot in regard to newcomers. Backed by free offers from the community business men, the company's trained greeters go out and sell the community's advantages to new homeowners.

COMMERCE DEPARTMENT figures show government payrolls hit a peacetime peak of \$21.9 billion a year last November and the climb appears to be continuing.

AVERAGE CITY FAMILY spends 32.0 per cent of its money on food, according to recent reports. This is an increase of 6.0 per cent since 1942. During the last year of 1949 it is estimated that consumers ate more of everything except potatoes. Lower income families consume more fruits, vegetables, meat and milk than they did before the war.

THE AVERAGE white woman in the United States now lives 71 years, the Public Health Service said recently. The average white man has not yet achieved the biblical three-score-and-ten, however, as the average length of life is 65.5 years. The average longevity of non-whites is 58.1 years for men and 62.5 for women. In 1947 the averages were 57.9 and 61.9 years respectively.

THE MARKET VALUE of the nation's output of goods and services amounted to \$257 billion in 1949 as compared with \$262 billion in 1948. The national income, which measures output in terms of earnings accruing from current production, showed a similar movement, from \$226 billion in 1948 to \$221.5 billion in 1949.

THE NORA HAYNES FOUNDATION says that two years ago, it took \$90.00 a week to give a family of four an acceptable standard of living. Now the cost is down to \$84.00.

THERE WERE FEWER automobile accident deaths on streets and highways of the nation last year than in 1948, but more injuries, according to the figures of the Travelers Insurance Comp, nies. Fatalities in 1949 totaled 31,800, compared with 32,200 in 1948, the companies reported, but injuries soared to an all-time high of 1,564,000. The 1948 figure was 1,471,000 injured.

THE UNITED STATES has 102 television stations and 75.0 per cent of them operate at a loss.

THE AVERAGE per capita income after taxes has increased 127 per cent since 1940 according to Department of Commerce figures.

of Commerce figures.

* * *

THE UNITED STATES Treasury Department's "Independence Bond Drive" is now on and will run through July 4. It is a national campaign to sell \$650,000,000 in Series E bonds so the national debt may be distributed widely, rather than concentrated with banks.

25th success-year with Sears, Roebuck; Jordan Marsh; May Co.; and other top stores, large and small.

> For a famous Akron dept. store, our unique merchandise-fashion approach opened

11,000 NEW ACCTS.

for 50¢ each

3000 New Accts, opened for Goerke's, N. J. \$301,000 bought during the first year alone

REVIVING 50% to 70% INACTIVES

who buy plentifully is another important Brozman specialtyl

3725 (50%) Inactives in famed Texas store bought within six months, at 1/2% cost \$241,000

YES! COMPARE WITH ANY OTHER WAY!

LESTER Brozman AND CO.



Editorial COMMENT

Yes, Credit Conferences Do Pay

IT WOULD BE well if every credit granter on our membership rolls could have the opportunity of attending the 36th Annual Consumer Credit Conference to be held in Cincinnati on June 12-15. Each member would become newly inspired to carry out the duties of credit management in accordance with the advanced thinking and tested procedures that invariably result out of our general sessions and group discussions.

Scores of instances could be cited to prove that the modest investment of time and money required to attend this serious down-to-earth business meeting pays handsome dividends in increased efficiency and stimulation.

The 1950 Conference has been designed to give credit granters definite peaks of achievement to which they must work. Morning sessions are devoted to addresses by outstanding speakers and to Credit Forums on topics of general interest. Trade groups meet in the afternoons for a discussion of specific problems relating to their business.

Of especial value are the many contacts that members make with others in their related fields of work. These informal chats are often productive of sound and workable ideas that speed production, save expense and improve procedures. Credit executives take their responsibilities seriously and most of them come to the Conference with lists of matters to be investigated and people to see for information on special problems.

Credit granters need all information that can be obtained to enable them to handle credit competently and gain the maximum possibilities of increased profitable business for their stores.

Interesting and complete exhibits of the most modern methods and equipment manufactured by outstanding firms await your inspection and examination. One idea gained from a speaker, a fellow credit granter, or an exhibitor will make your attendance a profitable investment.

Yes, credit conferences do pay. Plan now to be in Cincinnati.

General Manager-Treasurer



Pay Promptly Publicity Creates Consumer Credit Consciousness



THERE IS abundant evidence to prove that credit advertising does pay. Scores of cities throughout the country have demonstrated the power of publicity in educating the consumer to the importance of paying bills promptly. It is a well-known fact that collection percentages show a marked increase after a "Pay Promptly" newspaper campaign.

The N.R.C.A. has prepared an illustrated portfolio showing in detail the series of tested newspaper ads that have achieved spectacular results. You are cordially invited to send for this portfolio which will be gladly forwarded without cost.

After you have studied it and decided upon a campaign for your community, tell us and the mats, all ready to hand to your newspaper, will be mailed to you. The cost is purposely low in order to encourage sale.

For a modest investment in newspaper space, the story of good credit can be dramatically presented in your community. Every merchant, professional man, and all who grant credit will benefit through the clearer understanding of the proper use of credit.

Credit Bureau Managers and leading Credit Executives are urged to take the initiative in bringing to the attention of the local credit granters the importance of starting a "Pay Promptly" newspaper campaign. SEND FOR YOUR PORTFOLIO TODAY.

NATIONAL RETAIL CREDIT ASSOCIATION

SHELL BUILDING

ST. LOUIS 3, MISSOURI

Mr. Credit Executive... Do you age your accounts? Here is a form designed especially for your needs.

To assist Credit Departments in performing a more efficient credit control on past due accounts, we have several times during the past few years revised the Age Analysis form reproduced below. Over 2,000,000 have been sold to date, testifying to its success.

It is especially effective for smaller stores for use in collection follow-up and freezing accounts.

The size is $91.5^{\circ} \times 12^{\circ}$ and they are padded 100 to a pad. Prices: 100, \$1.25; 500, \$4.50; 1,000, \$8.50. Postage extra. Special prices on larger quantities. Order Age Analysis Form No. 721, today, from your Credit Bureau or National Office.

NATIONAL RETAIL CREDIT ASSOCIATION

Shell Building

St. Louis 3, Mo.

###